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# 'YES,' BUT BARELY

# France's Weak Approval of Maastricht Treaty Leaves Europe With Fragile Consensus on Future

# Other Leaders See Warnings In Closeness Of the Vote

European leaders reacted to the French result with statements ranging from expressions of despair for the future of Europe to declarations that all was well and that unity plans would go forward.

But much of the reaction seemed to underline new nationalistic forces at work in Europe, with European leaders interpreting the results to satisfy their own domestic needs. Across Europe, warnings sounded about mounting popular reluctance to give up national identity.

Prime Minister Poul Schluter of Denmark

highlighted the proportion of "no" votes on the Treaty on European Union and said the result showed that it was not totally acceptable in its present form.

It "shows that certain elements of the Maastricht treaty are unacceptable to the citizens of France and Denmark, and in other countries, and that understanding for the Danish rejec-tion has grown," he said. Denmark rejected the

President Mário Soares of Portugal, a strong pro-European, said the narrow margin in France showed "there are still a lot of confused and undecided people in Europe".

In Britain, skeptics of European integration inside the Conservative Party vowed they would try to derail the treaty, which is awaiting ratification in the House of Commons. "We in Britain have got our own choice to

make," Michael Spicer, a Conservative Party cannot rely on the French to make the choice

As summit meeting for early next month, said he personally still backed the treaty. "We now need to consider the way forward," he said in

reaction to the French vote. Foreign Minister Klaus Kinkel of Germany dismissed suggestions that the treaty must be

But Mr. Kinkel said on German television, "We must sit down with our partners and consider that people in Europe, especially in Germany, very clearly want this Europe, but also want to keep their national identity."

"I breathed a sign of relief," Prime Minister

Giuliano Amato of Italy said in a television interview. "If the French electorate hadn't voted 'yes,' then four decades of work probably would have fallen to pieces with irreparable

Jaques Delors, president of the EC Commission, said in a statement that the French had said "yes" to a decisive step forward for the European Community, although he acknowledged the margin of victory was close.

"I hope the other member states of the Comnunity, which have yet to ratify the new treaty of European Union, will do so with the reasonthle hope of building close cooperation to schieve the objectives we clearly and democratcally set," he said.

In Denmark, where voters in June narrowly ecame the only European country so far to eject the treaty, Foreign Minister Uffe Elle-nann-Jensen called the French vote "a shock or everyone" that "shows a strong need for Chancellor Helmut Kohl of Germany said he

See WARNINGS, Page 2



Prime Minister John Major, calling an EC President François Mitterrand, followed by Prime Minister Pieure Bérégovoy, leaving

Sept. 20, 1992."

Interior : ministry. (

nearly 90%

# **Markets Expected to Test** Franc's Link With Mark

By Carl Gewirtz International Herald Tribune

PARIS - France's determination to keep the franc's fixed value against the Deutsche mark is expected to be severely tested in the markets this week.

Even analysts who see the franc easily weathering the coming challenge dismissed the significance of Sunday's nearly 0.6 percent rise of the franc that was registered in thin off-market trading just after it became clear a narrow

majority had approved the Maastricht treaty.

The dollar also fell by about 1 percent, apparently moving on the early assumption that the franc is safe and that the Bundesbank will not be obliged to come to its rescue with a substantial reduction in its interest rates.

"It's a knee-jerk reaction to the favorable vote," said Robin Hubbard, economist at Paribas Capital Markets, the London-based securities operations of Banque Paribas.

"I'm not sure the franc's advance can be sustained. A low majority in favor is hardly a thumping endorsement for monetary union or for Mitterrand," he said, referring to the French

The franc was quoted in extraordinary Sun-

day trading in London at 3.3990 DM, an improvement over Friday's close of 3.4195 DM. The dollar at 1.4835 DM was down from 1.5035

Mr. Hubbard's skepticism about the franc's ability to walk away from the vote unscathed is widely shared. However, there is a considerable disparity in views about what happens then. David C. Roche, Morgan Stanley's London-

EC finance ministers affirmed their commitment to the European monetary grid. Page 13.

based strategist, sees a devaluation of the franc against the mark as "almost inevitable. The small majority voting in favor is not large enough to halt speculation," he said. "It points to hesitant support. In addition, there are still roadblocks ahead — U.K. and

German ratification and reintegration of Denmark." Danish voters rejected the treaty on economic and monetary union last June. "The currency market will vote for a realign-

George Magnus, at S.G. Warburg in London

See FRANC, Page 14

PARIS - French voters gave a grudgingly close "yes" to the Maastricht treaty on closer European unity in a referendum on Sunday, the government said. Computer projections put the approval rate at slightly more than 51 percent.

With nearly 90 percent of the vote counted, the Interior Ministry said the "yes" vote totaled 50.66

Approval, even by such a narrow margin, saved France from an emlomatic cooperation.

But coming in a country that has afforded bedrock support for the "so close that Europe and Europe-European unity movement, the an cooperation will never be the

tion that mobilized a turnout of minister and a strong partisan of about 70 percent of voters - rein- Maastricht (Monday Q&A, Page forced the widespread view that 2).

when markets sensed Europe's ten- statement sions, officials in Germany and Ita-

treaty last June.

European leaders must significantly loosen their plans for a tighter European Community.

Fearful that a French "no"

Britain, which currently holds the EC presidency, maintains that the treaty cannot go into effect until there is some official modificamight have reignited the financial tion in Denmark's position, perturbulence that boiled up last week haps in the form of a government

ounted, the Interior Ministry
he "yes" vote totaled 50.66

It,
Sunday night, Prime Minister John Major of Britain called for the overwhelming approval that the French vote fell far short of the overwhelming approval that had been initially expected six months ago when President Francische in the Major, who faces increasingly vocal opposition to the Major own to the Major of Britain called for the vote fell far short of the overwhelming approval that months ago when President Francische in the Major of Britain called for the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months ago when President Francische in the vote fell far short of the overwhelming approval that months are statement. pro-European policies and keeping cois Mitterrand called for the referopen the door to continued efforts endum to revive the EC momentum should decide on how to proceed to achieve closer economic and dip- after Danish voters rejected the with EC cooperation following the

narrow French "yes."
In the event of a French "no," plans were already under way this weekend for an emergency EC outcome -- with a "no" from near- same again," according to Uffe El- meeting on Tuesday. Now London

Even with the wafer-thin French approval, a British official said. rance and Germany will claim that this is a decisive vote in any democratic system and try to re-

German diplomats said that the outcome preserved the French-German partnership on European would have seriously jeopardized.

The outcome in France was too close to be considered a political victory for Mr. Mitterrand, who had taken the decision to call the referendum. Polls during the campaign suggested that voters might take the opportunity to repudiate

See FRANCE, Page 2

# A Glittering Eurodream Bites the Dust

By Jim Hoagland

PARIS - The centralized European union of 12 nations that was to have been built around German economic discipline and French bureaucratic skill has been so badly wounded in a week of economic and political turmoil that its survival now seems in doubt.

The weak endossement of the Maastricht dea of a European federation by the French electorate Sunday added to the evidence of a decisive turn in European public opinion against both the German economic model of ighting inflation at all costs and the style of bureaucratic policy-making that the Europe-an Community headquarters had adapted

of Maastricht in December, the leaders of the 12 EC nations agreed to synchronize their economies with Germany's low-inflation policies and to adopt a common European currency beginning in 1997. This was to be the basis for tightening political and diplomatic

For France and Germany, Maastricht was to have been the bridge between the single European market the Community will inaugurate on Jan. 1, 1993, and the future United States of Europe that the Community was to become in the 21st century. Britain and other

**NEWS ANALYSIS** 

states, on the other hand, instead have viewed Maastricht as "the outer limit" of European

But even that British view now seems optimistic when measured against the rejection of the treaty by Danish voters in June, the financial pressures that forced Britain and Italy to cut their currencies loose from the German mark last week and the spirited. almost successful challen

ticians raised against the treaty in the campaign on the referendum. European leaders emphasized Sunday

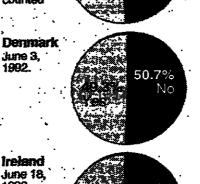
night that the single market provisions, which call for the elimination of all barriers to the movement of goods, capital and labor within the EC, will continue. They were also forced to underline that they will have to work hard to get the basic ideas contained in the Maastricht treaty accepted.

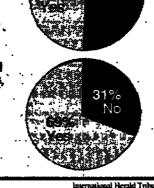
"Maastricht now looks like a rider that has been thrown by his horse at an unexpected obstacle," said a German official who knows the thinking of Chancellor Helmut Kohl on this subject. "What must be done now is for the rider to get back on the horse and get over the obstacle, even if they have to take a different route."

But this official and others acknowledged that Europe's political leaders would have to

See EUROPE, Page 2

# Maastricht: How They Voted





# Few Accounts Are Settled By Referendum Outcome

By Tom Redburn

vote to support the Maastricht agreement does not settle many of the doubts about prospects for European economic and monetary union. weeks about the consequences of a rejection Sunday by the French, culminating in the wild

gyrations on currency markets last week that

Europe is not likely to be going back to the future envisioned by the 12 European Commu-"Even with a French 'yes, " said Albert Bressand, director of Promethee, a Paris-based eco-

nomic research organization, "political leaders will never again be able to assume that their

nal Herold Tribune PARIS - For all its importance, the French

With all the nervous speculation in recent

**NEWS ANALYSIS** 

forced Britain and Italy out of the European Monetary System, there had been little focus about what a "yes" vote would mean for European integration.

But despite France's backing of the treaty,

nity leaders who adopted the treaty in the Dutch city of Maastricht in December.

ideas for building a united Europe are as uncontroversial as motherhood and apple pie."

Stanley Crossick, director of the Belmont

European Policy Center in Brussels, said that the Community was likely to look for a way out of its limbo by developing a two-track system for economic and monetary union.

"The immediate problem is to stabilize the monetary system," he said. "But looking down the road, we may have to bring forward the timetable for EMU, accepting the fact that a lesser number of countries may be included."

A "no" vote would have killed the Treaty on

European Union, setting back for years plans for a single currency and a central bank to manage it. It would have also undermined dreams of creating a European superpower that could take charge more effectively in diplomatic and military crises.

But it is questionable whether a narrow French "yes" will be easily able to revive past faith in those objectives.

While Jacques Delors, president of the EC Commission, said that "it is the result that counts," others in Brussels were not so sure. See VOTE, Page 2

#### Kiosk

#### 3 Swedes Jailed For Iraq Entry

STOCKHOLM (Reuters) - Iraq has sentenced three Swedes to seven years' imprisonment each for illegally en-tering the country, the Swed-ish Foreign Ministry said

Sunday. Leif Westberg, Christer Stromgren and Stefan Wihlborg, three engineers working on a project in Kuwait for the telephone company L.M. Ericsson, were arrested after entering Iraq on Sept. 3.

#### General News

Some Perot backers in Arizona find hope again. Page 3. in Budapest, an ideological broadside stirs a furor.Page 6.

#### Business/Finance

Boris Yeltsin is seeking further compromise with forces op-posed to reform. Page 13. Environmental concerns get fresh priority at Dow Chemi-Page 18.

Crossword

Page 6.

COPING — An Sarajevo resident bracing for winter with wood from the destroyed National Library. The UN considered renewing aid flights after test-landing a plane in Sarajevo Page 7.

# Mired in an Excess of People and Paper

By William Branigin Washington Post Service

NEW YORK — The images are familiar: blue-bereted UN peacekeepers performing difficult mis-sions in places like Lebanon and Cambodia, humanitarian relief workers fighting poverty and hun-ger in the Third World, idealistic UN employees striving to make the First of a series "new world order" a reality.

ton Post has found. mer UN officials on four continents, reviews of thousands of

As its new secretary-general has observed, "The United Nations has almost too much credibility now." But behind these images lies an ca have gone hungry or died be-enormous, largely uncontrolled bu-reaucracy, subject to abuses and scribe as mismanagement. 

• Reports and publications that serve mainly to justify budgets and employment are printed at enor-

Interviews with current and for-

pages of documents and visits to

The UN Empire

UN program sites yielded these Thousands of refugees in Afri-

deficiencies that impair its effec-negligence and, in some cases, cor-mons cost, contributing to the

tiveness, a nine-month study of the United Nations by The Washing-ed governmental bodies. UN food aid and other resources have been pilfered for years by governments

> Peacekeeping operations, some of which drag on for decades, have become a source of soaring costs with minimal oversight. In a \$1.7 billion operation in Cambodia, five times more money is budgeted for newspaper and magazine subscriptions for UN troops than

for external auditing.

serve mainly to justify budgets and

UN's image as a huge paper mill. Among the works are voluminous yearbooks published years out of date and esoteric technical studies that go largely ignored.

• UN offices that dot the globe, such as a "regional disarmament center" in Katmandu, Nepal, often seem to have scant value beyond expanding the organization's worldwide presence. Once formed, UN entities hardly ever disband.

· Heavy spending on travel and conferences, including Law of the Sea talks in Jamaica in the winter and meetings of the Economic and

See UN, Page 8

# Schwarzkopf vs. White House 'Hawks'

By Michael R. Gordon New York Times Service

WASHINGTON -- In a new memoir that raises questions about the conduct of the Gulf War, General H. Norman Schwarzkopf complains that he was pressed by Bush ad-ministration "hawks" to start a land offensive against Iraqi forces before he was ready and before diplomatic efforts were exhausted. He criticizes the "John Wayne" mentality that he says led civilian officials in Washing-

ton to try to advance the date of the ground

war after Moscow mounted a last-ditch dip-lomatic effort that would have enabled President Saddam Hussein to pull Iraqi forces out

General Schwarzkopf does not name the administration "hawks," nor say whether they were merely reflecting the wishes of President George Bush, for whom he had He says the dispute over the starting date

led to an emotional shouting match between himself and General Colin L. Powell, chair-

man of the Joint Chiefs of Staff. The dispute

was eventually settled to General Schwarzkopf's satisfaction.

The announcement last year that General Schwarzkopf planned to write his autobiography created a stir when Bantam Books agreed to pay him \$5 million for the work. "It Doesn't Take a Hero," written with Peter Petre, is a 530-page book that provides new disclosures about the planning and execution of the war and seems intended to establish the general's place in history by providing an

See GULF, Page 8

# Back to the 'Danish Problem,' Mindful of London and Bonn

France on the Maastricht treaty, the attention now switches back to Denmark, the only European Community country to have rejected the agreement. The Danish foreign minister, Uffe Eltemann-Jensen, discussed the French vote with Barry James of the International Herald Tribune.

Q. Where does the result leave Den-

A. We are relieved, of course. Like everybody else, we are wiping the sweat from our brows, but it was a very, very close race and this, of course, has some impact on what you might call the European landscape, in which we shall have to discuss the Danish situation,

We European politicians should take note of how close the race was, and we should also take note of the discussion

With the "yes" vote Sunday in taking place in the U.K., Germany and rance on the Maastricht treaty, the elsewhere. And we will have to learn from that because, if we do not learn and try to cratic legitimacy, then we might well lose

support.
We hope that we will be able to present our proposals during October, and we

#### MONDAY Q&A

hope that a framework for a solution before the Edinburgh summit so that it will be in place before we take over the presidency on Jan. 1.

Q. Some have suggested that because you are the odd man out at the moment you might have to step aside in January. A. Are we really the odd man out or are we the odd man in? Because it is fairly obvious that there is too large a distance from the Community to the individual Europeans. I believe that the solution to

what some have called the Danish problem might also become a solution to what might become a far more serious European problem, and that is why we are planning to ask for discussion on ideas like more democracy, more openness, more decentralization. We have to find solutions there and this has to be solved before we can go back to the Danish voters and ask for a second opinion.

O. Jacques Chirac, the former French prime minister, called this very narrow vote not an ending of a process but a point of departure. Do you think that indeed this may be the start of a process not to renegotiate the treaty but to take another look at it?

A. I hope that it will be possible to create a solution that makes it obvious to all Europeans that these things are now being taken more seriously. I was one of those who worked very hard to get the Maastricht treaty through in our country,

and I still believe it was the best possible thing. I don't have second thoughts on that, but I have had to learn from the message that we got from our voters, and other European politicians should get the same message because otherwise we might end up in a far more serious mess.

Q. Do you think this result will calm down the turmoil on the markets? A. As an economic journalist for 15 years, I believe that what we saw was a ghost from the past, and it underlined the need to continue to strengthen the cooperation on the currency market. I also believe that it is wrong to blame

the Germans. They accepted to enter into closer economic and monetary union so that it would not only be the German Bundesbank council that would be sitting in Frankfurt deciding the fate of everybody else but there would be a new council where we would all sit. The Germans accepted that. A lot of us dragged our

the Germans for continuing to play ac-cording to the rules that they have ac-

Q. Can the Europeans move ahead with plans for a common foreign policy as a result of the French vote? A. You can only make a common for-

eign policy if you agree on what the elements have to be. We have always known that some of the larger member countries - one of them the one that voted today - could not be brought to support a common foreign policy that they thought was against their own deeper feelings or interests. So nothing has changed there.

Q. Must there be an immediate European summit meeting as a result of the French referendum?

A. Why? What we need to do is keep our nerves calm, just as we would have had to do had it been a "no" vote.

## EUROPE: A Once-Glittering Dream Bites the Dust

exchange rate mechanism. Mr. Ma-

#### (Continued from page 1)

take public opinion -and the fragile state of most European econofully than in the past in developing their long-range plans for a Conti-nental political and economic

Efforts toward unity have been damaged in recent months, European financial and political analysts say, by the feeling that Ger-many's high interest rates and determination to maintain an inflation-proof mark have contributed significantly to the recessionary or low-growth cycles that grip the en-

British officials have made this concern explicit in their criticism of Germany for "rigid" economic policies as a way of defending London's about-face last week in withdrawing the British pound. indefinitely, from the fixed-parity zone of the European Monetary

This represented a dramatic and politically damaging concession for

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BE TOO LATE

Prime Minister John Major, who in October 1990 led the move to bring

jor was repeating the conventional wisdom of the time by arguing that linking the pound to the mark, Europe's strongest currency, would enable Britain to import Germany's low-inflation, high-growth model has become. The referendum's outcome rep-

But a month later, the Berlin Wall fell. Unification has imposed litical setback for Mr. Delors in an enormous financial burden on France. Six months ago, he was Germany, which has driven interest rates up close to 10 percent to keep inflation down and the mark up, and to attract foreign currency to help finance its growing budget German officials have defended

economic model

their policies as an effort to export
"a culture of stability" to the rest of
a political disaster for him. Europe. This view was implicitly endorsed by the chief architect of the Maastricht treaty, Jacques Delors, the Frenchman who is presi-dent of the European Community's executive body, the EC Commission. Mr. Delors told the French in late 1990 that they should be glad national parliaments would have a to be part of the "German mark much stronger say in European zone" because linking the franc

tightly to the mark brought price stability and low unit production costs.

the pound into the Community's But the continuing rise of unemployment in Britain and France — both countries are approaching the historic 3 million unemployed mark - has dampened public enthusiasm for what the German

> resents a strong, perhaps fatal, po-France. Six months ago, he was listed in the polls as the leading contender to succeed President François Mitterrand in 1995, even though he has never been elected to a major post in France. But the technocratic way in which Mr. De-lors is perceived to have managed the Maastricht process has created

> The sudden change in mood about the future of Europe was captured in a speech Mr. Delors gave to the European Parliament in Strasbourg last week. Instead of emphasizing the EC's role, he told the parliament that from now on, national parliaments would have a



Jacques Delors, the EC Commission president and a 'yes' proponent, after voting Sunday in Paris.

# FRANCE: Half-Hearted Approval of the Treaty Leaves Europe With a Fragile Consensus

he one absence con unust register and apply for a ballot SetW. Federal Post Card Applications are the rase was tradable from U.S. Consulates, militare coung officers, and Democrats though lar, by voting against the treaty.

Mr. Mitterrand said Sunday nity. The emergenes last stall is September 23 when DHI Worldwide Express will carry completed applications to the U.S. free of night that French voters had kept the door open to the future and added that the "yes" vote had given **DEMOCRATS ABROAD** U.S. Phone (703) 769-3174

support of the Maastricht treaty Europe spill over on its richer but the idea that it was vital not to neighbors. break the momentum toward European unity that has been a constant

exit poils on Sunday. that they were acting out of opposi-

Jacques Delors, president of the EC Commission, which came in for campaign, acknowledged Sunday night that the Community would have to take into account the objections and resistance that surfaced

the French leader, who is unpopu- the Community must become more democratic, meaning that more of But voter surveys on Sunday its decisions need to be debated showed the anti-Mitterrand vote to be a minor factor.

its decisions need to be debated publicly in member countries before being adopted by the Commu-

French leaders and Mr. Delors sent neighboring European coun- Europe a better chance of weather tries "the signal they needed to go ing the challenges of self-defense in global financial markets and also The strongest motivation of provided a better hedge against "yes" voters on Sunday was not seeing political unrest in Eastern

The result was hailed by the pean unity that has been a constant in policy for decades, according to exit polls on Sunday. which had campaigned for approv-French people voting "no" said al. as an outcome that spared France from what they depicted as tion to the treaty and to the EC as they perceive it currently, particularly the bureaucracy in Brussels.

The nuanced welcome in Germaintense criticism during the French my reflected the concern among campaign, acknowledged Sanday many officials in Bonn about the barely veiled fear toward rising German strength voiced by both lities invade French life.

French economic stagnation and rising unemployment tarnished the rising unemployment tarnished the hoods because of greater immigra-appeal of EC plans and turned the emotional campaign into a mere plained that they were unsure what he relities establishment. Interior Minister Paul Quiles of-ficially announced that a majority of voters had answered 'yes' to the emotional campaign into a mere bid by the political establishment to stave off defeat, as dissidents in their own parties turned against the

self-confident social categories. Chirac, the RPR leader, to endorse Older people, with memories of the treaty. war with Germany, also were tavorable.

tion of Communists, the far right, eignty of France, carried a majority led by Jean-Marie Le Pen, and of RPR voters with him and said on some political mavericks. This di- Sunday night that the Maastricht verse group would have afforded treaty had become a dead letter. the country no coherent political alternative if the "no" had won.

German strength voiced by both sides in the French campaign. Both camps played on French fears — paid industrial workers and small vote would have been more strong.

Many French leaders agreed that fears of a "no" as an open door to shopkeepers and many women, ac- by favorable to the Community if it chaos in Europe, and fears of a cording to pre-election surveys.

'yes' that would errobe France's Many of these people reportedly mestic political debate. His center-sovereignty and let other European feared the Maastricht blueprint for right party, which has always been closer European cooperation strongly in favor of European uni-would threaten their livelihoods ty, voted overwhelmingly for the and perhaps even their neighbor-

mainly among middle class, more Gaullist minister of the interior, pean Union?"
prosperous, more educated and who defied the decision of Jacques

Mr. Pasqua, striking a populist By Vietnam and China chord with his warnings that the Opponents were a tactical coali- treaty would undermine the sover-

Valery Giscard d'Estaing, the former president, said that other Cutting across party lines, the Europeans should know see that

the complex treaty provisions actu-ally foreshadowed. following question: "Do you ap-prove of the legislation submitted But opposition also came from a to the French people by the presi-few prominent political leaders, in-The victory reflected support cluding Charles Pasqua, a former ratification of the Treaty on Euro-

#### Border Talks Are Set Agence France-Press

HANOI - China and Vietnam This Week's Holidays have agreed to meet soon in Beijing to try to resolve their territorial disputes, a deputy Chinese foreign minister, Xu Dunxin, said here Sunday.

"We understand that relations between China and Vietnam are of great importance and that the exist-

# 5. 0-0 6. Re1

1.e4 2.NB

22. ef+ 8e5 23. f4 Rc8 24. fxe5 Rxc2 25. e6 Bc6 26. Rc1 Rxc1 27. Rxc1 Kd6 28. Rd1+ Ke5 17. Number 16 18. Number Quality 37. g4 38. Kd4 19. Randl Ke7 20. Nah8 Rah8 29. e7 e5 30, Rc1 Bd7x 31, Rc5+x Kd4 39. Rob1 40. Kc5 For the Record Estorians held presidential and parliamentary elections on Sunday in

WORLD BRIEFS

PHNOM PENH (AFP) The first Japanese troops to be deployed overseas since World War II arrived here Sunday to join the UN peacekeeping force. The eight-officer group was the first of several hundred Japanese soldiers expected to arrive here over the next four

The eight will take posts as military observers throughout Cambodia

responsible for investigating violations of the cease-fire that ended the civil war, assuring that no foreign supplies or weapons are sent to any factions and overseeing the disarmament and demobilization of Cambo-

Subsequent Japanese arrivals will include engineers, who have been assigned to repair National Romes 2 and 3 leading south from Phnom

MOSCOW — Seven Georgian soldiers were killed and 14 wounded when rebel gunnen attacked a bus in the separarist region of Abkhazia.

They quoted local military authorities as saying that the rebels ambushed the bus Saturday night just outside the city of Gagra on the Black

Sea coast. Itar-Tass news agency said eight people were missing. The Georgian Embassy in Moscow said earlier that 29 people had been killed.

Georgia's governing State Council moved troops into Abkhazia to stop what it called terrorist attacks after the region's legislature in July

U.S. May Seek End to Haiti Sanctions

WASHINGTON (WP) — One year after the Reverend Jean-Bertrand Aristide was overthrown as president of Haiti, the United States, which

spearheaded the imposition of economic sanctions in hopes of quickly

reversing the coup, has adopted a far more limited strategy that could

involve lifting the economic embargo that is crushing the island economy.

"The experience of a year has shown that the embargo was a blunt instrument," a senior U.S. official said, referring to the sanctions imposed

in October by the Organization of American States. "No decisions have

been made, but there is a growing feeling that the embargo has outlived

Hemisphere democracies now hope that the impasse can be broken

through an agreement patched together last weekend by the Organization

of American States between Father Aristide and Marc Bazin, prime minister of the military-dominated Haitian government. It calls for

stationing 18 Organization observers on the island as an aid to reducing

Fischer Now Leads Chess Match, 5-2

SVETI STEFAN, Yugoslavia (AP) — Bobby Fischer, attacking aggressively with the white pieces, defeated Boris Spassky decisively on Sunday to take a 5-2 lead in their \$5 million chess rematch.

Mr. Fischer's victory in Game 11 marked the symbolic halfway point of the match, in which the first player to take 10 games is the victor. Match rules call for a change of venue from this Montenegrin island

resort to the Yugoslav capital, Belgrade, after one player has won five games. The match is to resume there after a pause of seven to 10 days.

SICILIAN DEFENSE

White Fischer

32. Rxa5 33. Ra7 34. Rb7

Black Spassky

The official said that the Bush administration and other Western 5

Abkhazia Rebels Kill 7 Georgians

local journalists said Sunday.

demanded more autonomy.

violence and human rights violations.

White Fischer

12. Nxd4 13. Nd2

14 No.4 15 NES

Japanese Troops Land in Cambodia

the Baltic republic's first such voting since it broke free from Soviet rule. The large Russian-speaking minority was barred from voting, a move that a senior Moscow official said violated international law. Preliminary results were expected early Monday.

## TRAVEL UPDATE

Beer lovers are expected to put away more than seven million liters of Bavarian brews during the 159th annual Oktoberfest, which opened Saturday in Munich. The festival lasts for 16 days. (Reuters) Italy's Ministry of Culture has blocked a Club Mediterranée resort development of 80 chalets on the island of Captera off the northeast coast

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Belize, Malta. TUESDAY: Mail WEDNESDAY: Japan

THURSDAY: Bolivia, Dominican Republic, Guinea-Bissan, FRIDAY: Mozambique, Rwanda.

Sources: J.P. Morgan, Reuters.

# INSTRUMENTS FOR PROFESSIONALS



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(Continued from page 1)

"The damage has been done," said Karel van Miert, a commission member. "The Community has been drifting away and drifting apart and losing credibility to the outside world. When things start sliding, it is difficult to stop them." To begin with, there is still the devilish prob-

lem of Denmark, which rejected the treaty in June, as well as the fresh doubts about fixed exchange rates raised in Britain and Germany by the maybem in currency markets last week, "A narrow 'yes' vote takes all the uncertainty and shoves it on to the Germans and the British," said Jim Rollo, director of European eco-

nomic studies at the Royal Institute of International Affairs in London. In Britain, where Germany's central bank is widely blamed for the wave of currency speculation that swamped the pound last week, Prime Minister John Major will have an uphill fight to win ratification of the Maastricht treaty

In Germany, where the idea of unifying Enrope has enjoyed strong support for decades, popular opinion now challenges the idea of

giving up the cherished Deutsche mark for an unknown European single currency. While many German leaders continue to support the grand project of a single European currency, some of that public doubt is begin-ning to creep into German boardrooms, banking circles and some opposition political clubhouses. The Bundesbank, in particular, fears that other nations, with weaker commitments to lighting inflation, might undermine econom-

would become a European currency," Henry A. Kissinger, the former U.S. secretary of state, said in Washington over the weekend at the semiannual meeting of the International Monetary Fund and the World Bank. "I don't believe that leadership groups in Germany will want, in the end, to give up the D-mark." Initial German reaction to the French vote

VOTE: French 'Yes' Doesn't Settle Many Accounts on Economic Union

Political leaders will never again be able to assume that their ideas for building a united Europe are as uncontroversial as motherhood and apple pie.'

Albert Bressand, director of Promethée was nervous. "It is the worst of all possible

Deutsche Bank Research in London. "There's a two-speed Europe now, of that there's no doubt. The question is where it's going." Rejection by the Danes and the intense debate in France that produced only a narrow

worlds in the sense that it leaves us all in limbo," said Larry Anderson, an economist at

"I have never believed, frankly, that the Ecu victory for the Maastricht treaty reflect wider popular unease throughout Europe.

There will have to be new thinking in a number of areas," said Uffe Ellemann-Jensen, Denmark's foreign minister. "It is difficult to see us proceeding with the former ambitious plans. This will have an effect for years to Perhaps the most important consequence of French approval was to deny victory to the "no" forces, a strange-bedfellows assortment of

a few respected maverick politicians within the nainstream parties, who found themselves on the same side as extremists of the far left and far right.

The opponents had no common program to the Meastricht treaty. offer as an alternative to the Maastricht treaty,

with many of them advocating little more than a retreat into anti-foreign nationalism and

The vote also represents a victory for those who are determined to bind the French economy and French currency to Germany to form an inner core of the European Community. That nucleus should include the Benefitz na-tions and perhaps others, such as Austria and Sweden, that may join the EC in the next few years. But with the French vote falling far short of an overwhelming endorsement of the treaty, there is very likely to be continual economic

"A 'no' vote on Maastricht would be dread-ful," a French business executive mouned in a recent cartoon in Le Monde, capturing the mood that descended on Paris before the vote. "But a 'yes' wouldn't be much better."

# WARNINGS: A Mounting Sense of Nationalism in Western Europe

(Continued from page 1)

considered the French decision a "new boost" for European unity and was confident that Germany's parliament will ratify the pact later

But Mr. Kohl did not comment on increasingly vocal demands that the treaty be put to an unprecedented popular vote - a move now sought by 83 percent of Germans, according to a national poll released this weekend. "We stand today before new challenges that

cannot be mastered with national policies alone," Mr. Kohl said, restating his belief that the European Community must be not only an economic collective, but also a single political Mr. Kohl acknowledged the rising tide of

sacrafice of the Deutsche mark to an all-European currency by 1999.

"Our citizens are worried that Europe will develop in a centralized way and undermine national identities," he said, adding that Germany would pay attention to such concerns

when carrying out the treaty.

But Mr. Kohl's main opponent, the Social Democratic Party leader, Bjorn Engholm, called the French vote a warning signal that the Community must become more democratic. Mr. Engholm said the Maastricht treaty was a sign that "Western Europe will not let itself be infected by the germ of nationalism."

The president of Germany's central bank, Helmat Schlesinger, predicted that the "yes" vote would calm troubled world currency marpublic opposition to treaty elements such as the kets.

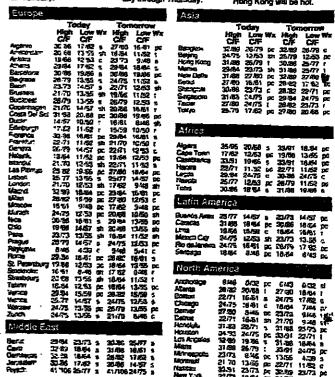
In Washington, a White House official said the French vote would ensure at least shortterm political and economic stability in Europe and the Atlantic alliance.

"In the very short term, it certainly creates less likelihood that there will be any chaos or turmoil either politically or economically, and it will be easier to work on a common agenda," the official said. "The vote avoids the worst fears of a 'no.'

The official, who spoke on the condition that he not be named, said that the White House intended to congratulate France and Europe "for the process of the vote," but added: "We're not going to prejudge what next steps there should be."



Europe
Tuesday will be somewhat rainy from eastern Great Britain through northern Germany, London and Pans will have some sunshine Wednesday and Thursday, although a passing shower cannot be ruled out Madrid will be warm with a fair amount of sunshine Tuesday through Thursday. North America NOTO: America New York City will be warm Tuasday with a shower and a thurnduratorm. then we discharge and a thurnduratorm, then we have been surnly and cool. Childy weather is ne shore for Chazapo Tuesday and there could be a frost Tuesday night. Allanta will have thurnderstorms, perhaps heavy, on Tuesday. Asia
Tropical Storm Ted will
bring more windswept
downpours to Talpei Tuesday. Ted's rams will douse
Sharqtai twough Wednesday. Tokyo will remain
manny dry, but southwestem Japan will turn showery
and muggy, showers will
occur in Koree by midweek.
Hong Kong will be hot.



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# CAMPAIGN '92 / THE PEROT FACTOR

#### **Ex-Joint Chiefs Chairman Endorses Clinton**

LITTLE ROCK, Arkansas — In a coup for the Democratic campaign, a former chairman of the Joint Chiefs of Staff, Admiral William J. Crowe Jr., has endorsed Bill Clinton for president. "There has been an inordinate amount of attention in this campaign paid to Governor Clinton's lack of military service," Admiral Crowe said,

with the Arkansas governor nearby.
"I served in uniform for 47 years," he added. "I know and have worked with many others who didn't serve in uniform, including a number of key national security figures in the Bush administration That fact never affected my ability to work with them or my high regard for them."

Admiral Crowe's action was a boost for Mr. Clinton, coming at a time when the Republicans were hammering him for avoiding the draft during the Vietnam War and for offering differing explanations of how he did it.

#### The Debate Flurry Turns to Macho Matters

ALBUQUERQUE, New Mexico - In a sharply personal effort to pressure Mr. Bush to debate him on the terms he wants, Mr. Clinton accused his opponent of posturing behind "macho talk," but running away when it came time to "go man to man."

The Democratic presidential candidate's attack was the beginning

of a third phase in the jockeying over proposed presidential debates that began several weeks ago with sniping from the press secretaries on each side and moved on last week to an airing of lawyerly threatening letters from the two campaign chairmen.

On the surface, Mr. Clinton's remarks were clearly meant to

continue and expand on his effort to embarrass Mr. Bush for declining to accept the first of three presidential debates outlined by the nonpartisan Commission on Presidential Debates. The first debate had set for Tuesday in East Lansing, Michigan, but Mr. Bosh is declining to debate made the supposed by the commission

is declining to debate under the rules proposed by the commission.

Mr. Clinton, who accepted the commission's proposal, has said he will be in East Lansing on debate day, whether or not Mr. Bush is there. The Clinton campaign began broadcasting a radio commercial in Michigan accusing Mr. Bush of being afraid to debate the issues, and inviting listeners to call the Michigan headquarters of the Bush campaign and "tell George Bush it's time to debate."

#### For Congressmen, Maxi-Jitters on the Voters

WASHINGTON - With more House incumbents having lost primary races than in any year since World War II — 19 representatives in all - members of Congress are experiencing powerful campaign jitters as they prepare to face angry voters in a year of extraordinary political uncertainty.

Public disdain for Congress—coupled with a broad movement to

impose term limits - has forced many lawmakers to work harder, spend more money campaigning and make more trips to their home districts than ever as they seek to retain their seats in the House or

From House Speaker Thomas S. Foley, Democrat of Washington, to the most obscure backbencher, Republicans and Democrats alike said they were approaching the Nov. 3 election with increasing

#### **Quote-Unquote**

Child Styles

"It is time for Bill Clinton to give his 'Checkers' speech and tell the American people, 'I have not leveled with you.' " — Senator Bob Dole of Kansas, the Senate Republican leader.

#### **Away From the Hustings**

 Congress approved a record \$11.1 billion relief package to aid victims of two recent hurricanes, sending it on for the president's signature. Goaded by officials from Florida, Louisiana and Hawaii, House and Senate negotiators agreed to use deficit financing to provide \$6.3 billion in direct assistance and \$4.8 billion in loans. The funding also will assist victims of a typhoon in Guam.

political memoir containing the revelation that he feared that racist Philadelphia police officers were planning to kill him during the fiery confrontation between the police and the radical group Move in 1985. Mr. Goode writes that he stayed home, out of harm's way.

• An underground explosion in an Arctic gold mine that killed nine men Friday may have been sabotage, the Royal Canadian Mounted Police said, and they are considering the deaths as marders. The mine, in Yellowknife, British Columbia, has been beset by strikes. • A man whose 1991 Ferrari had a faulty air conditioner, malfunctioning seat belts and a leaky roof will get a \$132,805 refund in the second-highest award under Florida's "leanon law." The money for Ernie Haire 3d granted by a state arbitration panel was topped only by the \$124,500 burdent of a detailed by a state arbitration panel was topped only by the \$134,500 buyback of a defective Rolls-Royce in January.

• A small earthquake hit Northern California, but there were no immediate reports of damage or injury, authorities said. The quake measured 4.5 on the Richter scale, according to the U.S. Geological Survey office in Colorado.

 After trying to avoid a public hearing scheduled to begin Monday, a Harvard psychiatrist accused of contributing to a patient's suicide submitted a letter unconditionally giving up her medical license.

Massachusetts authorities accepted Margaret Bean-Bayog's offer, and the hearing was canceled.

• The top winds of a hurricane designated Bonnie dropped to 85 miles per hour (140 kph) as it slowly drifted into colder Atlantic waters far from land, forecasters in Miami said. The second hurricane in the Atlantic season was more than 500 miles east-northeast of Bermuda, drifting north-northeast.

• The Senate approved the tightening of the trade embargo against Cuba. The rider was attached to a \$274 billion military authorization WP, NYT, AP, Resters bill by a vote of 61 to 24.

# Favoritism Aided Quayle's Enlisting In National Guard

By Kevin Sack and Jeff Gerth

when Republicans are stressing turned away by the Guard. military records as a campaign is-sue, a re-examination of Vice Presi-dent Dan Quayle's enlistment in ington had ordered Guard units

al Guard because he was directed how long the waiting lists were for to the headquarters unit, where the Indiana National Guard when openings were largely unavailable Mr. Quayle enlisted on May 19, to those without special connec- 1969. The lists were kept casually

edged that he asked a former Na- records were destroyed years ago. tional Guard official to help him gain entry.

But it had never been clearly established before now that his unit that the lists were forbidding. doled out enlistment slots to some men while turning others away — time had set strict rules to end ra-at a time when Washington had cial discrimination in recruiting in ordered all Guard units across the the South and illegal trafficking in nation to enlist men on a first- coveted Guard slots elsewhere. come, first-served basis.

the first time Sunday that entering the National Guard was a virtual guarantee he would avoid combat in Vietnam, Reuters reported from Washington. "Obviously if you join the National Guard, you have less of a chance of going to Vietnam. I mean that goes without saying," he said on NBC television.

But Mr. Quayle denied he received any favors. "I never asked for any special treatment," he said. There were no rules broken, no regulations broken. There were

in Southeast Asia at the rate of 39 a Senator J. William Fulbright's ofday. For the nearly 27 million men lice in 1969, when Mr. Clinton was period, there were immumerable Arkansas Reserve Officers' Trainways to avoid the draft, some legal, ing Corps to avoid being drafted.

Some not.

The question of what constitutes

six-year hitch in the National come a long and tortured debate on Guard or reserves. Members of the just what Mr. Clinton did or did Guard and reserves typically spent not do to avoid being drafted durabout six months on active duty ing the Vietnam War, and served the rest of their six years Clinton campaign officials say a 15,000 were sent to Vietnam.

Because of their relative safety, openings in the Guard and reserves army officers who ran the ROTC were so coveted that eager young men often drove through several after town to place their names on

Just after George Bush chose draft. him as his running mate in 1988. Asked whether Mr. Clinton had Mr. Quayle argued that the telephone call made on his behalf by a help in entering the ROTC, Dee timately had little impact on his

That argument quickly calmed what had been a mushrooming controversy. Mr. Quayle has been bothered by few questions about the matter since, and now he is helping to lead the Bush campaign's assault the draft record of Governor Bill Clinton, the Democratic presidential candidate. But Mr. Quayle's explanation does not

enlisted did not appear to be operating on a first-come, first-served basis, according to interviews with New York Times Service Indiana National Guard officers, INDIANAPOLIS — At a time enlisted men and others who were

the Indiana National Guard shows nationwide to fill vacancies from a pattern of favoritism and raises the top of the waiting list, or with new questions about the fairness of the first person who applied, if the enlistment practices for the unit there was no waiting list.

That saved him from the draft.

Twenty-three years ago, when May 1969, the Indiana National

thousands of young men trying to Guard had waiting lists probably escape service in Vietnam were placed on waiting lists for the National Guard, Mr. Quayle secured a coveted spot in the Indiana Nation—

It is impossible to know precisely It is impossible to know precisely

tions, knowledge or qualifications. by unit commanders in each of the In 1988, Mr. Quayle acknowl- state's 90 units, and most of the But in interviews, several former

guardsmen and others who sought enlistment at the time all recalled The Defense Department at that

More than 30 interviews and an [Mr. Quayle acknowledged for examination of records by The New York Times found that Mr. Quayle's family connections were crucial. Without them he probably would not have found the head-

# Some Perot Backers Find Hope Again

By E.J. Dionne Jr. and Richard Morin

Washington Post Service PHOENIX, Arizona — When Ross Perot shut down his presi-dential candidacy in July, Yoli Petri felt "betrayed." Bob Lewis was "devastated, speechless," and Pamela Lopez wondered, "Gee, maybe he wasn't the guy I thought he was."

But they said they were ready to vote for him in November if he became an active candidate. Their willingness, they said, was not only a statement about him but an indictment of George Bush, Bill Clinton and the presidential campaign.

These three were among eight Phoenix-area Perot supporters who talked with The Washington Post in July about presidential politics. The other day they sat down again to discuss political developments since Mr. Peror's

The latest session here was almost all bad news for President Bush, whose convention was, in the eyes of these people, a disas-

One of the eight, David Ireland, 49, the assistant director of the county's social services agencv. said the Republicans believed that "if they say 'family values' enough times, everyone is going to say, 'Yow — that is what we need, family values.' The unemployed, they are out there some-where floating."

Mr. Ireland and Lois Crowell, 60, had hoped that Mr. Bush would have persuaded them to vote for him by now. Instead, he has only persuaded them to pre-

reluctance.
Mrs. Crowell said she was "so disappointed" with the Republican convention "because they didn't really set forth any program that would motivate me to say, Well, they may have something better to offer than the

The good news for the Arkansas governor is that, for now, all eight voters in the group pre-ferred him to Mr. Bush. In 1988, six of them voted for Mr. Bush. The bad news for the Democratic nominee is that he has not vet closed the sale. He has failed to solidify his support by easing

Most in the group rejected the importance of Mr. Clinton's draft record as a campaign issue. But Mr. Ireland said that the way that Mr. Clinton had handled questions about it raised more serious

As an inactive candidate simply a name on the ballot -Mr. Perot would siphon off at least one and as many as three votes from Mr. Clinton in this

If Mr. Perot were to run in earnest, seven of the eight said they were likely to vote for him, despite their harsh words about his decision in July to suspend his independent presidential cam-

paign.

For the most ardent Perot enthusiasts, there was little fear that a vote for him would be "wasted" or might allow Mr. Bush to win. Sending a message and shaking up "the system" might be enough, they said.



Ross Perot, discussing the U.S. economy in a TV interview.

## Clinton Sought Fulbright's 'Advice' on the Draft said he would have told Mr. Clin- cussed Mr. Clinton's request to join story may be supported by the doc- the program right away and then

By Roberto Suro New York Times Service

FAYETTEVILLE, Arkansas openings."]

Bill Clinton's campaign organization May 1969, when Mr. Quayle tion has acknowledged that the was graduated from DePauw Uni
Democratic presidential nominee versity, U.S. servicemen were dying discussed options to the draft with who came of draft age during the seeking a spot in the University of

A legal way was for men of draft help is murky and illustrates the age to fulfill their obligation with a subjective nature of what has be-

by attending several meetings, or measure of assistance was given to one weekend, each month, and a Mr. Clinton by his close friend and ier, Only former boss. Lee William 37,000 of more than a million men was then Mr. Fulbright's top aide, n the Guard and reserves during But they say this assistance was the war were mobilized, and only limited to providing Mr. Clinton with advice.

program in Arkansas, say that Mr. Fulbright's office called them seekstates, stopping at armories in town ing to know what could be done to after town to place their names on help Mr. Clinton get into the program and thus keep him out of the

Asked whether Mr. Clinton had retired Guard general, an employee Dee Myers, Mr. Clinton's spokes-of his grandfather's newspaper, ul-woman, said Mr. Clinton had "talked to the Fulbright people ability to join the Guard because about what his options were and his unit in Indianapolis had a number of vacancies.

about what his options were and asked them to help him ascertain those options, but he didn't ask anyone to influence anyone on his

> do," she added. "That's what taxpayers pay them to do."
> [Mr. Fulbright said that he did

not remember being approached by Mr. Clinton, one of his former interns, on the draft or any similar Mr. Quayle's explanation does not tell the whole story.

The unit in which Mr. Quayle story, a fierce critic of the war,

The former senator, now 87, said it was "disgraceful" for the Clinton was seeking. A discussion issue to be used against Mr. Clin- of the memo this week with Mr. ton, adding, "I can see where the president has nothing else to talk tion of the document. about."] Mr. Clinton has always maintained that he received no "unusual

or favorable treatment" as he tried town University. to avoid serving in Vietnam. A document in the Folloright ar-

chives at the University of Arkan-sas shows how Mr. Fulbright's office provided that help. The single sheet of handwritten notes is sketchy but suggests that in July
1969, Mr. Fulbright's top aide disanother disputed area of his draft lieve that Mr. Clinton would enter least under discussion at the time.

ton to avoid the draft if he had been the training program with army of-sicials and was familiar with the details of the arrangement Mr. Williams supports this interpreta-

> Mr. Clinton had worked in Mr. Fulbright's office a year earlier, while he was a student at George-These matters have become an

> issue in the presidential campaign not so much because of the events 23 years ago but because of Mr. Clinton's difficulty this year in giving a full account.
> Mr. Clinton's explanations of

ument in the Fulbright archives. It shows that in July 1969, Mr. Fulbright's office was discussing the terms of an arrangement with the army training program in just the way Mr. Clinton has described them this year.

Colonel Eugene Holmes, who commanded the university's ROTC program at the time, issued an angry statement Wednesday night charging that Mr. Clinton had "defrauded the military" and "pur-posely deceived me."

In the statement and in a previous interview, Colonel Holmes asserted that he had been led to be-

But Mr. Clinton has been saying since February that Colonel Holmes had agreed to let him return to Oxford for a year under the shelter of the ROTC deferment so he could complete his studies as a Rhodes Scholar, and that he had promised to enroll at the Arkansas law school the following year, 1970.

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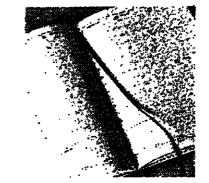
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Mr. Williams's notes appear to be the only existing record of any kind involving the arrangement be-tween Mr. Clinton and Colonel Holmes, and they indicate that the terms sought by Mr. Clinton, including the one-year delay, were at

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#### CAPE CANAVERAL, Florida — The U.S. space shuttle Endeavor, ending an eight-day flight that was the National Aeronautics and Space Administration's first space mission for Japan, landed safely here Sunday. The shuttle, its crew of seven astronauts and a menagerie circled the earth 127 times. The flight fea-

**Space Shuttle** 

Is Back Safely

tured an array of preparatory experiments for the proposed \$30 bil-son U.S. space station. The shuttle's crew included the first black woman to fly in space, it was the first time a married couple was aboard and the first time a had taken part in space flight.



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# Herald Cribune.

# For a New Blue Army

around the world tomorrow, next week,

PHNOM PENH - Trousands of United Nations peacekeepers came under rocket fire today as Khmer Rouge forces ended a year-old cease-fire agreement. Heavy casualties are expected unless foreign help can be deployed quickly in remote jungle areas. Or perhaps the news would take this

BAKU, Azerbaijan - Travelers gave accounts today of ethnic massacres in an adjoining republic in former Soviet Asia where communication links were severed following an earthquake that forced thousands to flee devastated cities.

Such violent eruptions in a world freed from Cold War constraints are no longer unusual but routine. And failure to act swiftly against violence and calamity means that death quickly becomes routine. Consider what has already happened in Bosnia — and may happen soon in Somalia.

As a new UN General Assembly begins its

biggest week, the world can finally get serious about the most promising way to contain chaos and combat death -- a new blue army. With a force capable of respondi quickly, the United Nations could save lives, check refugee tides and discourage warlords. In the world, as on a city street, the mere presence of a cop on the beat matters. Yet neither the United States nor Russia wants to be a global cop, and the United Nations has neither means nor

mandate for that role. That is why the 15 heads of state at the Security Council summit meeting in January asked the secretary-general to recommend ways of preventing and stopping wars. In June, Butros Butros Ghali came up with a superb report, "An Agenda for standby forces that the Security Council could summon in 48 hours to keep the

A news bulletin like this could flash peace and put out fires. Just such a force is stipulated in the UN Charter.

Alas, the reaction to the "Agenda for Peace" has been paralysis. Poor Third World countries feat that Mr. Butros Ghaii's "peace enforcement units" could be used by big powers to intrude in their affairs. Big, rich countries worry about the costs, and about giving a secretary-general too much authority.

Before 1988, the United Nations mounted 13 peacekeeping operations; in just the four years since, that figure has doubled. Unpaid peacekeeping bills have soared since January from S816 million to \$1.9 billion. Donors understandably worry how and where it will end.

Mr. Buttos Ghali has addressed these fears with some interesting proposals. He would have big donors contribute from their defense budgets, supplying equipment where feasible, as the Pentagon is doing by providing mine detectors in Afghanistan. Internaional air travelers would pay a small tax to replenish a peacekeeping fund; or arms sales would be taxed. And member countries would provide volunteers for standby units.

Still there is a deeper worry to some Americans: A new blue army under multinational command smells like some woollyheaded plunge toward world governme That ignores the UN Charter, under which blue helmets can be deployed only at the express request of the Security Council in which the United States has a veto.

This is all new terrain. But acting against war and catastrophe heads the lobal agenda. Il America does not take the lead in discussing peacekeeping, no-body else will. Thus far, President George Bush and Governor Bill Clinton have done so in only the vaguest terms. Mr. Bush addresses the General Assembly on Monday. It is a rare opportunity to demon-strate leadership that is truly global.

-THE NEW YORK TIMES.

# Blaming the Victims

What Bush Knew ...

What did George Bush know about the Iran-contra affair and when did he know it? 1987. Mr. Bush was saying publicly he The answers turn out to be: a lot, and early. had 't known of their strong objections to

With racial tension in reunified Germany now spilling out into sustained violence against refugees and other foreigners, there may be no simple way to defuse the problems posed by refugee influx and financial strain. But it is possible for officials to take steps that worsen the tension. This, unfortunately, is what the German government has now done in announcing it will deport the vast majority of would-be Gypsy refugees back to Romania begin-

ning on Nov. 1.

The policy, reached by intensive negotiations with the Romanian government, is expected to remove about 70 percent of all Gypsies entering Germany. It follows a series of confused attempts by the Kohl government to get a handle on the influx of refugees and tighten the constitutional

provisions on asylum.

Meanwhile, though, the law enforcement response to rising racist violence has larged. The court system only recently delivered its first verdicts, relatively minor sentences of two and four years, for the murder of an African "guest worker" in 1990 - though Chancellor Heimut Kohl and others had urged heavier sentences. The combination tacitly reinforces exactly the wrong notion: that the violence is somehow caused by foreigners' presence rather than by criminals.

sponsibility to shelter Gypsies, since the Nazis slaughtered half a million of them. They form only 15 percent or so of asylum seekers but have been major targets of the almost nightly outbreaks of violence by neo-Nazi thugs. But there is broader

Mr. Bush plausibly denies being "in the loop" of the arms-for-hostage Iranian oper-

ation or the illicit supply of rebels in Nica-

ragna. But at least in general, he knew about those colossal follies and, it appears,

information remains maddeningly incom-

plete. But with the independent counsel,

Lawrence Walsh, winding down his work,

there is nonetheless enough information

available to pass judgment on some basic points about this monumental crisis in

How could Vice President Bush not

have known about the Iran-contra affair?

How could this man, grooming himself for

the presidency and proud of his readiness,

have failed to understand that the White

House was lunging to pay ransom to ter-

rorists. And how could Mr. Bush, espe-cially as a former intelligence chief, have

failed to notice signs of illicit aid to

It is plausible that those off-the-books

entrepreneurs, Oliver North on the Na-

tional Security Council staff, and William

Casey at the CIA, kept Mr. Bush out of

their information loop. But there are many ways for a skillful vice president to stay

plugged in, and there is reason to believe that Mr. Bush did so.

The latest example is a memorandum registering a complaint by former Secre-

tary of Defense Caspar Weinberger to for-

Even after six years of investigation, the

did nothing to stop them.

constitutional government.

the Nicaraguan rebels?

cause of complaints about begging, stealing and noisemaking. Even government officials who deplore the violence frequently add that the Gypsies' behavior renders it understandabl

German law allows no legal immigration except for ethnic Germans, but grants asylum for anyone who can prove political persecution at home. The swelling numbers of refugees are those waiting for their applications to be processed who often slip into the society before they can be sent home. Government officials say few of the Romanian Gypsies would meet the political persecution standard - although members of Gypsy groups report daily attacks on Gyplies in Romania and Hungary. Bend the dilemma lies the familiar conflict that rich countries, including the United States, face in deciding whom to admit from poor countries.

But the message being sent here is that if you do not like the behavior of the people next door - how they look, smell and dress - and you are not satisfied with the official response, the way to get quick government action is to attack these people physically and firebomb their houses. At that point the government will do what you wanted all along -get rid of them. It Germany has acknowledged special re- is a sorry stance for a country whose modern leaders, sensitive about the past, set great store by their demonstrated commitment to the rule of law. And it is a bad example for the former East Germans to whom that lesson is still new.

the Iran dealings. "He was on the other side," said Mr. Weinberger. "Why did he

say that?" What does Mr. Bush say about

that memorandum now? A spokesman ar-

gues lamely that Mr. Bush did not attend

tions were raised.

the meetings at which the strongest objec-

As for Nicaragua, Mr. Bush's years of silence have not made more credible his

defense of ignorance. His security adviser,

Donald Gregg, was supposed to be Vice President Bush's eyes and ears worldwide. He claimed to have learned of White House

involvement in the contra resupply program in August 1986 but did not tell his boss until

the test of the world knew. Far from disci-

plining Mr. Gregg, when Mr. Bush became president he made him an ambassador.

Bush said misleadingly that he did not think Secretaries Shultz and Weinberger doubted his word. "And I have nothing to

explain," he went on. "I've given every bit

of evidence I have to these thousands of

investigators. And nobody has suggested

that I've done anything wrong at all."
Granted, George Bush was not an Iran-

contra operative and he was outside its

illegal, at times criminal, web.
But as the book starts to close on years

of investigation, if there is no evidence that Mr. Bush did anything to further

these wrongs, neither is there any sugges-

-THE NEW YORK TIMES.

tion that he did anything right.

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In a recent television interview Mr.

- THE WASHINGTON POST

# The French Aside, Maastricht Was Already Tumbling By Josef Joffe

MUNICH — It hardly matters whether the French voted "out" or "non" on the Masstricht agreement, grandiloquently titled the Treaty on European Union. For its key omyrisions had already been sunk -

blown out of the water by the masty realities of politics among nations. The U.S. Constitution originally had seven articles, strewn across a few pages, to underpin "a more perfect union." The Maastricht treaty fills

some 250 pages. But you do not have to wade through hundreds of titles and proto-cols to get the gist. It is right there on

John Major and Giuliano Amato, the prime ministers of Britain and Italy, had but one choice: Jack up interest rates even more and kill all chances for recovery or delink from the tyranny of the Deutsche mark. They decided to stop paying - indirectly - for the costs of German reunification, and this is the end of the grand dream of European mone-

The other two pillars of union -a common foreign and security policy
— crumbled earlier this year under

tery union for now.

The handwriting has been on the wall all year, and on Wednesday the wall collapsed.

triple pledge to go for a "single curren-cy" and for a common foreign and

security policy.

Alas, Europe has already failed the test of unity, and so the French vote does little more than prolong the agony. The handwriting has been on the wall all year, and on Wednesday the wall collapsed as if somebody had driven a car full of explosives into it.

The European Monetary System went into shock that day when Britain and Italy pulled out after a long, hapless attempt to defend the pound and the lira against devaluation What is wrong with devaluation? you might ask; after all, the dollar has

been on a roller-coaster for years. That is like asking, "What's wrong with a little blasphemy in a revival meeting?" For, in theory at least, devaluation would trespass against the spirit of Europe.

The whole idea of the European

Monetary System as a trial run for a single currency relies on a straitjacket of fixed exchange rates. But curren-cies can stay together only if their masters adhere to the same standards of fiscal and monetary probity.

Except that political leaders genuflect before different altars. They

look at their unemployment rates and then at their electoral calendars. Consequently, they will always try to wiggle out of the jacket, going for economic policies that will strain, then break, the monetary bond. So why did the European-mone-tary mesh stay around for so long?

For one thing, until five years ago the dictatorship of virtue was regularly relieved by a brush with sin. There were lots of realignments and so everybody could stay on the wagon precisely because he could take an intermittent swig from the bottle, But after 1987 currencies turned into Ma-

ginot lines - to be defended at all costs and against all corners. Hence The second reason was more profound: German reunification in 1990. That was like putting the junkie in charge of the cocaine supply. Originally, those stern-faced governors of the Bundesbank were to play the martinets. They would keep their own government in line and, by yanking the fixed-parity chain, force the spendthrifts elsewhere to shape

up or suffer the ultimate humiliation

That was yesterday. The remifica-tion bill now runs at \$130 billion a year. But in Bonn, Chancellor Hehmat Kohl chose George Bush as a role model: no new taxes. The result was massive deficit spending, massive bor-rowing and a nasty bout of inflation. So those gentlemen from the Bundesbank stepped in like programmed robots, sending interest rates into the sky and lighting the fuse on the European Monetary System.

the first two pages, spelled out in the the onslaught of a "new European order" that looks suspiciously like the old. Europe's common foreign policy took a hit in Yugoslavia from which it

will not soon recover. "We will do it our way," the Euro-pean Community told the United States when Yugoslavia began to disintegrate. "Our way," though, looked like a replay of World War I when France and Britain implicitly lined up behind their old ally Serbia, and the Germans behind the former Hansburg

The Serbs got the point: Every cease-fire signed under the acgis of the Community was broken before the pens were uncapped and Lord Car-rington, the mediator, rightly resigned. A common security policy? Here too Yugoslavia acted like a flash of

possessions of Croatia and Slovenia.

lightning that exposed the frailties of Europe's ambitions.
Gurmany will remain the odd man
out as long as it hides behind a debatable constitutional interpretation that proscribes military action be-

yond self-defense. The Britons, Frenchmen and Italians? They are at least willing to contribute taken forces for the relief of Sarajevo. But this is where harmony bowed out. The French want the Western European Union, the "military arm" of the European Commu-nity, in charge. The British would rather march under the United Nations flag. London wants to keep NATO alive. Paris, as usual, opts for splendid aggravation," loath to accept any arrangement that preserves the "hegemony" of the United States. The moral of the story is a sad one:

Europe has all the wherewithal for a superpower but for two elements: a common interest and a common will.

Nor should this come as a surprise. For 40 years history was suspended. The Cold War acted as a great disciplinarian and the two superpowers, the United States and Soviet Union, always stood ready to crack

the whip of bloc discipline. Moreover, the strongest power in Europe, Germany, is no longer a shackled Gulliver. It has shed its old dependencies without acquiring the habits of benien leadership. The explosion of the European Monetary System is instructive

What was logical for the Bundes-bank — to fight fiscal irresponsibility with punishing interest rates — was a disaster for everybody else.

But leadership requires more than navel-gazing or a policy that sacri-fices European to German unity. To lead is to look out for others, too. Hence the permicious referendum debate in France, where the proponents of Maastricht fell back on arguments that could hardly reassure their German brethren: that union was the only chance of reshackling Gulliver-on-Rhine. Where does Europe go from here?

The diagnosis is all too clear. The disease is renationalization with a vengeance in the East and on cats' feet in the West. The threat is not war. But the metaphors have be-

way to stoke the fires of nationalism. way to stoke the irres or nationalism.

During the currency cataclysm the
Italian press was fond of such shibboleths as "Dunkirk" and "Alamo."

And the British press wrote as if
"Wilhelm" Kohl had just dispatched

his dreadnoughts to Albion. Perhaps the shock of the First Geldkrieg will teach the Europeans a salutary lesson. Do not overreach;

aim lower so as to score higher.

Europe is not ready for a "more perfect union." But the Single Market — providing for the untrammeled flow of goods, people and capital --agreed on before Maastricht will become reality on Jan. 1; French voters were not going to change that.

And the demise of the European Monetary System might actually be a blessing in disguise. For it will pro-

vide enough monetary freedom to cushion the shocks of "Big Bang '93," when the Single Market kicks in. The Europeans have seen the future; let us hope they don't like it. Like Dr. Spielvogel in "Portnoy's Com-plaint," they ought to say: "So. Now

With a new, more modest agenda. The writer is foreign editor of the Süddentische Zeitung. He contributed this comment to The New York Times.

vee may perhaps to begin. Yes?"

# Money's Message to Europe: Look Hard in the Mirror

PARIS — Enrope's currency crisis puts Britain's capable prime minister, John Major, and other European leaders in front of this suddenly unpleasant reality: Money does more than serve as an economic unit of tells individuals and nations the truth about themselves - even when they

A currency may not be able to express the character or personality of a nation, as Charles de Gaulle believed. (Germany's obsession with the value of the Deutsche mark reflects a similar attachment to money's metaphysical properties.) But a currency does express a nation's fortunes. A nation's intentions can be read in its money — and then judged with cold-blooded efficiency by the

world's financiers. That is the most immediate messa out of Europe's currency turnoil, which drove the British pound and Italian lira out of the European Mone-tary System, forced a devaluation of the Spanish peseta and sent interest rates sharply upward elsewhere in Europe in the space of 48 hours. In such moments, money not only

talks, it shouts, drowning out the re-assuring iuliabies of brighter tomorrows that governments croon to their electorates in hard times.

Look again in the mirror, the bat-tered pound and lira say to their nations, and face the problems you have been trying so hard to avoid.

Stop blaming us, or other nations, and do something.

Italy has been living beyond its means in stereotypically flamboyant fashion for a decade. Britain has done the same, though far more discreetly and rationally, abandoning British-owned manufacturing as its economic base to live off North Sea oil and earnings from its financial centers.

seriously deteriorated economy he in-herited, claiming that he could fight inflation and reduce unemployment through exchange-rate manipulation. But the foreign exchange markets have rendered an implacable judgment on his muddle-through strate-

gy, which may now be untenable. Those markets also tell inconvenient truths about Europe's search for unity, and about the international financial system as a whole. Money was to be the root of all unity in Europe. A single European currency was the instrument by which the European Community's 12

nation-states would convert themselves into a continental union able to compete economically and politically with the United States and Japan in the 21st century. But the bitter dispute between London and Bonn over who is at fault in the bludgeoning of the pound features

money as a factor of distinity.

The forced march of Britain and Italy out of the fixed-parity zone of the ropean Monetary System shows that a closer union will be much more difficult than the architects of the new United States of Europe expected.

Europhoria, triggered by the fall of the Berlin Wall and German remification and already dampened by the Yugo-slav crisis, is turning into Eurogloom. The pound and lira crisis reveals a fundamental disorder in the international financial system as well. The system's vitality has been sapped by U.S. and European national economics strategies built on fighting inflation and tolerating high unemployment at a time of global recession.

Led by the United States, Western

covernments have practiced unilateral fiscal disarmament over the past 10 to 15 years. Unable or afraid to raise taxes, amassing suffocating but unproductive budget deficits and terrorized by the prospect of a re-turn of inflation, governments es-sentially have given up on stimulative economic policy-making. The dollar is in fact a not-so-inno-

cent bystander at the scene of the

European currencies crash. The U.S. currency, undermined by the fiscal gridlock in Washington, reached historic lows against the Deutsche mark in August. The markets understood that the dollar could not sink lower without endangering the entire inter-national financial system. The curren-cies in between the dollar and the highflying mark became sitting ducks.

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As the world's only significant reserve currency, the dollar shapes the global financial environment. A weak dollar means a weak international

financial system.

Americans should remember this they look on the European currency disorders. Both President George Bush and Governor Bill Clinton have proclaimed their intention to revitalize America's economy; but neither have faced up to the unpleasant truths about the new taxes and deficit cutting that the weak dollar says are urgently needed.

The Washington Post.

# When the World's Leaders Think Poor

N EW YORK - While European politicians and financial gnomes panicked during last week's currency convulsions, the Swedes dis-played uncharacteristic humor. They raised their interest rates by 500 percent. "You shall not pass!" they shouted to the monetary barbarians

at the gates of their precious krona. This Swedish excess seemed the only sensible response to European behavior that made the United States appear, if only fleetingly, a well-governed country. Hegel opined that to be sane in a world of madmen is itself a form of insanity. Europeans are once again taking his advice to heart. like "Lombard rates," but what they were actually talking about last week

was money. Or more precisely, the fact that no one has very much of it. Or more exactly still, that the Germans are the only Europeans who have any and are paying high interest rates to borrow what they do not have. By Leslie H. Gelb

If you add what the Germans are borrowing to pay their debts to what the Americans are soaking up to pay theirs, and tie that to the fact that Japan is spending more on itself and lending less, there is little money left for others.

But the problem is, as economists let you know, far, far more complex. It runs deep down to the inconvenient fact that presidents and prime ministers borrow money to pay their bills because they refuse to raise taxes and reduce spending. If they did so, they would have every expectation of soon becoming former presidents and prime ministers. Such is the gratitude of free peoples everywhere.

Free peoples have a point, however, as other economists explain. For if leaders actually behaved responsibly and increased taxes and cut outlays —but did it too quickly—the effects would be devestating. For instead of pumping money into their economies, they would be taking it out.

The result would be a catastrophic

loss of jobs. And as jobless rates grew, leaders would soon find themselves unemployed. (Unless they happened to be economists, in which case they would always be needed to explain Lombard rates central bank interest rates for overnight borrowing — currency ex-change rates, the float and why the Maastricht treaty is more a political document than an economic one.)

I note these ironies and paradoxes not to make light of economists, who must possess the analytical horse-power of nuclear physicists to gener-ate such elegant ironies and paradoxes. I do so, rather, to rejoice in the simpler dilemmas of foreign policy and to contemplate the coming effects of economics on world politics. I start from last week's central message: Westerners are running out of money; or to put it another way, mighty nations can no longer afford

to pay their bills.
This means that world leaders will think poor. They will be less disposed toward distractions like civil wars in Bosnia and the former Soviet Union. Ever more, the meek and weak shall be left to their fates.

President George Bush, it will be remembered, compared himself to Columbus. People laughed, then realized the common bond: Both sailed around the world and finally discovered America. Increasingly, explora-tion and statesmanship will be seen as Old World extravagance.

Already-diminishing military es-tablishments will shrink even more quickly. Soon enough, arms and warriors will be easier to eliminate than any other budget item. Thus, on those few occasions where statesmen find the will to intervene, they will begin to lack the means.

Nations with arms to sell will sell cm willy-nilly to any renegade. Rus-

They will be less disposed toward distractions like civil wars in Bosnia. Ever more, the meek and weak shall be left to their fates.

sia has little else to export. Britain, France and the United States will find weapons exports to be the only way to maintain defense industries. To nations with idling aircraft and missile factories, even franians will come to look like misunderstood spiritualists. Germany and Japan, by virtue of their economic muscle, will gradually come to play greater military roles.

But their emergence will occur even more slowly than expected. The most politically correct leaders will shrink before resistance to financing necessary causes like protecting rain forests and harboring refugees.

A world without money will be nasty and messy. But worry not, for

with another quarter-point drop in the Lombard rate, it will all work out The New York Times.

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#### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1892: Alliance At Risk

PARIS — Those who are acquainted with what is going on in the lobbies of international politics will admit that the Herold is right once more in saying that it is not on the side of Italy that the stability of the Triple Alliance is menaced, but on that of Austria. As is well known, the German party in Austria is still all-powerful. But can the same be said of Hungary, and cannot one say it still less of the numerous Slav elements scattered throughout the Monarchy?

#### 1917: Ceding Belgium

BERLIN — Public opinion is divided on the question of Belgium, and is stirred by remours that Germany is on the point of amouncing her readiness to waive "her rights" to induce the Allies to discuss peace. The Frankfurter Zeitung protests again of the pan-Germans who "desire the unconditional annexation of all Belgian territory occupied." The Conservative

press is wrathful: "If we surrender Belgium we are lost." The Kölnische Volkszeitung suggests a queer solution: "Germany suggests a queer sometion: "Germany cannot abandon everying in Belgium, although she is willing to recognize Belgian sovereignty. She should insist upon a lease of all the territory she needs to ensure the freedom of the case." freedom of the seas."

#### 1942: Munich Ablaze

LONDON — [From our New York edition:] Britain's biggest bombers, four-motored Lancasters which carry 4,000 and 8,000 pound bombs, left the Nazi birthplace city of Munich a mass of spreading flames last night [Sept. 20] after a 30-minute attack climaring a daring foray which carried the Allied ascial attack den into the Baile a aerial attack deep into the Reich A second force of bombers hammered the German war potential in the Sear Valley. The British acknowledged losing ten planes during the night, which on the basis of 5 percent losses in big raids, would mean that about 200 planes made the attacks.

# What to Do With Cuba's Ugly Face?

By Stephen S. Rosenfeld WASHINGTON - The col-W lapse of communism in some places has transformed the nature of American ties with Communist reamendati the wint Communist re-gimes that have survived. Gone is the old premise that Communist governments, however loathsome, have their place and need to be accepted and worked with in some civil manner, this was called "détente." The notion now seeping into thought and policy is that the surviving regimes are not legitimate and lasting and that the point of U.S. policy should not be to get along with them

but to see them out of power.
This is generally a healthy change.
Still, there is no denying that it has brought some transitional turbulence into American policy toward, for instance, China and Cuba.

With China, the United States has just wiped off the board Ronald Reagan's grave, 10-year-old com-mitment not to arm Taiwan beyond a certain level. Americans who come to the China connection with a deep sense of its value and fragility are stunned at what they and the offended Chinese see as sabotage of "China's great cause of peaceful remaification," in Beijing's words. George Bush, as a former envoy to China, surely knew the solemn na-ture of the arms pledge he was tri-fling with. He made his move in the course of playing political catch-up. The Democrats were hitting him hard for being soft on China's human-rights record. Mr. Bush went

them one better. Still, the fundamental reason why Mr. Bush could dare to challenge the Chinese was that the rules have changed. It is not simply that the United States no longer needs China as a counterweight to the Kremlin. It is that having good relations with a Communist regime, far from being a strategic priority, is increasingly seen as a political and



moral embarrassment. There is still business to be done with the Beijing regime. But the growing purpose of contact with it is to improve chances of hollowing it out and promoting a democratic turn — by dialogue on rights, trade with the market sector, sharper radio broad-CASTS ROO SO OIL

Is there not a contradiction between doing business and promot-ing democracy? Yes, but the impli-cation is not that the United States should not try to proceed on both tracks but that it should proceed intelligently.
With Cuba, debate has be

sharpened with the introduction by Representative Robert Torricelli, a New Jersey Democrat, of a "Cuban Democracy Act." In its main provi-Cuba's abandonment by Moscow by tightening up the U.S. embargo. Originally it was too much (in its reach beyond Cuba) for Mr. Bush. But after Bill Clinton, in hot pursuit of the Florida vote, decided to "put the hammer down on Fidel Castro and embraced it, the president accepted a toned-down version.

The Torricelli bill is criticized in

some quarters as being improdently and counterproductively interven-tionist and as foreclosing detente with Cuba. Its interventionist aspect cannot be dismissed: The long and neuralgic history of American intervention in Cuba gives Fidel Castro a nationalist card. U.S. policies have to be measured by their effects and not just on regime flexibility but on citizen welfare. There is room to

But who except Fidel Castro now needs detente? The idea of detente has lost its strategic justification as a softening of the risks of nuclear war. Now detente is little more than a lifeboat for Communist dictators, a means by which they contrive to have their chosen international class

have their chosen international class enemies spare them an accounting before their oppressed citizens.

Recognizing this fact, some advocates of early normalization with Cuba turn to claim that American pressure impedes Cuba's "self-democratization." Your response to that will hinge on how open to "self-democratization" you think an unpressured Fidel Castro is likely to be.

An Inter-American Dialogue An Inter-American Dialogue task force on Cuba chaired by Elliot Richardson, the former Republican cabinet official, looks for middle ground: Keep the embargo on until Cuba democratizes but seek to expand contacts that pro-mote peaceful change. Its rigging of incentives differs only marginally from the Bush pattern. its tone, however, has more than

a bit of inter-American waitle, For Cuba's undemocratic status is not merely "anachronistic" but ugly and wrong. It is not Cuba's continuing "isolation" that is unnecessary, damaging and perhaps dan-gerous, but Cuba's continuing rist totalitarianism. Political acts by everyone in the hemisphere can perhaps play a role in the unsterrable process of Mr. Cas-tro's demise. But the crucial act affects one party only, Fidel Castro, and it requires him to leave power. The Washington Post.

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### **OPINION**

# Yugoslavia: Before Sending Troops, Marshal the Arguments

N EW YORK - It seems only yes-terday that onventional wisdom was declaring na onalism "outdated." the integration c nations inevitable, and another Eurpean war inconceivable. Yet all thee impossibilities are taking place in Ygoslavia.

The foreign pocy of every Western democracy lacks ategories of thought for dealing with 12 inconceivable. The standard America debate between giving priority to searity and emphasi man rights doe not really fit the situation in Yugoslaia.

Security would require military intervention if inactin set a precedent that adversely affectal long-term American interests, or if i would weaken American security directly. Neither condition is met in Viventyia is met in Yugosavia.

Precedent aplies mostly to regions like the former oviet Union or Africa, where the Weshas no intention or capacity to intervae militarily. As for tra-ditional securit, no NATO nation feels itself threatene enough by events with-in Yugoslavia t be willing to undertake ground action zero. They may, however, discover a common interest in limited and precise inevention in situations like Kosovo, sopulated by Albanian Muslims, when the conflict, if it breaks out, could becme international,

I have greatympathy for the proposition that the onsciences of democratic societies reque some stand regarding the Bosnian hrbarity. But implementation requires careful analysis.

Three concivable goals exist: i) imposing peace and restoring the pre-civil war borders ( each republic; 2) putting an end to humn-rights abuses, especially "ethnic cleaning"; 3) preventing a new round of hoslines in such areas as Kosovo that cord lead to international war. The restcation of prewar borders

would reque a large expeditionary force prepard to remain indefinitely and to accer serious casualties. No nation capabliof affecting Serbian calculations is pipared to undertake this.

Putting a end to "ethnic cleansing" and concerration camps should be the moral objetive; preventing an escala-tion of thexisis beyond the borders of Yugoslaviahe political goal. This task is difficultenough under the best of circumstates. Up to now, the democracies' failu: to understand the special conditions of Yugoslavia has enabled the Serbia leaders to create one fait accompli Iter another.

Yugosiria has always been a largely artificial etity, united only by a superimposed ommon language and by the reciprocahatred of its ethnic groups.

When lazi Germany brought pressure on Yugdavia in 1940 to facilitate the German avasion of Greece, the largely Serbian eneral staff revolted in refusal The Nas took a terrible revenge, defeat-ing Yugslavia in less than a week, while much of the population of Croatia greeted the termans as liberators. But the Nazis hd to pay the traditional price of foreign avaders of Serbia — 35 German division failed to subdue the resulting guerrill war. After the war, Tito's forces

By Henry Kissinger

took a terrible revenge on German collaborators and non-Communist opponents, killing tens of thousands. After that blood bath, there was the peace of exhaustion and of the widespread fear of Tito's secret police. After Tito's death in 1980, the Yugoslav state, lacking his totalitarian personality and facing the weakening of Communist ideology and of the unifying Soviet threat, began to disintegrate.

None of the Western democracies

grasped what history had made inevita-- a civil war in this enlightened age of supranationalism. Had they believed it possible for his-

tory to repeat itself so cruelly, the West-

Those nations willing to act should put forward a political program. If they are unwilling to do this much, there is no basis for negotiation, let alone for military intervention.

ern democracies might have decided at all costs to prevent violence and tried to navigate an evolution toward independence of at least some of the republics.

with the best of intentions, made the likely inevitable. At first, they supported a more decentralized version of the unified Yugoslav state, largely because its breakup might have set unwelcome precedents for Spain, France and Brit-ain — each fighting separatist move-ments — let alone for the still unified Soviet Union. The democracies also imagined that, if a loose federal system did not work, autonomy for the repub-lics could evolve into full independence.

Each fanatical side interpreted the democracies' ambiguities as support for its own position. The word "autonomy" en-couraged the constituent republics to speed their independence. The phrase "outdated nationalism" encouraged the Serbs to expect tolerance for their use of force to hold Yugoslavia together. Serbia, which deserved most of the blame for "ethnic cleansing," received another unintentional boost when the democracies imposed an arms embargo against all parties. This gave a large advantage to the heavily armed Serbs.

Once the blood was in the water, the accumulated hatred of centuries developed its own momentum.

The United Nations might orate about the madmissibility of changing borders by force, but no Balkan people had ever seen them changed in any other way. Serbia had no intention of giving up its age-old aspiration of Greater Serbia. As soon as Croatia declared independence, Serbia occupied one-third of what had been Croatia, ing has ever come of these meetings

driving out the indigenous population.
The UN cease-fire, negotiated with vast skill by Cyrus Vance, nevertheless had the practical effect of confirming Serbia's conquests. Though theoretically entitled to do so, no Croat would return

to territory technically UN-controlled but in fact still dominated by Serbs. But Mr. Vance's remarkable negotiation saved thousands of lives and, perhaps more crucially for the future, estab-lished a vital precedent. The limit of UN control has established a dividing line across which further Serbian advances can be resisted by the international com-munity if the will for it exists. In short, some political demarcation in Bosnia and elsewhere is the precondition for outside

intervention, political or otherwise. All this was but a prelude to the night-mare awaiting in Bosnia-Herzegovina. Having delayed too long to recognize Croatia and Slovenia, thereby creating a gray area for Serbian intervention, the ternational community now rushed to the recognition of Bosnia-Herzegovina. But Croatia and Slovenia were ethnically definable territories; recognizing m — even after the Serbian invasion - created a precondition for demarca-

tion lines along ethnic boundaries.

Bosnian nationality, on the other hand, was the invention of international lawyers. The republic is an ethnic pot-pourri. After the Croatian experience, it should have been predictable that recognition of Bosnia would trigger another round of Greater Serbian "ethnic cleansing." And the Croatian part of the Bosnian population was highly ambiva lent. To forestall Serbian occupation of all of Bosnia, it formally supported inde-pendence. In fact, it preferred partition between Serbs and Croats, leaving a small Muslim enclave.

Tripartite partition was never seriously considered, allegedly because the populations were too mixed together. But the proclamation of Bosnian independence produced the anomaly that the international community was inviting Creats and Serbs, who had just refused to live together in relatively large Yugoslavia, to live together in tiny Bosnia, along with the Muslims, yet another unassin minority. Civil war was inevitable.

In retrospect, a determined international community should have tried. before recognition, to establish a UN Trusteeship for Bosnia. A checkerboard cantonal arrangement might have been sought with large areas of self-government for the various communities. Such an arrangement could have established ground rules in the name of which "ethnic cleansing" might have been resisted.
Possibly the various nationalities would have been more willing to coexist if the sone of ultimate sovereignty had been left in abeyance.

But there was a missing ingredient: the pressures the international community would be prepared to employ. Periodically, the warting Yugoslav parties are called to meet in international forums - now by the European Community, now by the United Nations. Nothbecause Slobodan Milosevic, the Serbian president, knows there are no penalties for noncompliance.

The new negotiation between the par-ties conducted by Mr. Vance and David Owen, former British foreign secretary, has the best conceivable leadership. But the problem must not be dumped on the shoulders of the negotiators and even less on the intractable parties. Those nations willing to act, be they UN, NATO or EC members, should put forward a political program. If they are unwilling to do this much, there is no basis for any serious negotiation, let alone for military intervention.

The program for Bosnia should have three components: UN trusteeship, cantonization and placing all detention camps, of whatever party, under immediate international supervision.

Since these goals will never be accomplished without pressure, the cooperat-ing nations should give a deadline, say 30 days, after which they would lift their arms embargo against any former Yugoslav republic cooperating with their proposal, including Bosnia. Simultaneously, the economic sanctions against Serbia should be tightened. Severe eco-nomic penalties should be organized against those of Serbia's neighbors helping it to evade UN sanctions. Nothing less will convince the parties that the outside world means business.

There is much idle talk about military intervention in Bosnia. There is next to no basis for it. Within Bosnia the actual

military contest is nearly over. To rewerse the situation, major ground force would be required. Every NATO leader, without exception, has assessed ground operations as being too costly. Nor has any outsider ever managed fully to conquer the area, especially once Serbia was militarily involved. What is most needed is a coherent program to multiply political and economic pressures, and to increase the cost to Serbia of continued

warfare by removing the arms embargo against victims of Serbian aggression. There exists, however, a danger not yet overtaken by events for which the preparation of some military response seems essential. The democracies must not miss the boat a third time in areas where "ethnic cleansing" has not yet begun. Kosovo is the most critical. It is perceived by Serbia as the origin of its national and poetic history, though its inhabitants to-day are mostly Albanian Muslims.

If "ethnic cleansing" were to start in Kosovo, the risks of its becoming interna-tional would be grave. Albania has a common border with its compatriots in Kosovo. Turkey is not likely to permit another round of "cthnic cleans Muslims without injecting military assistance. Bulgaria and Greece could become involved, as in previous Balkan wars. Serbia must be given to understand that the world will not tolerate a Balkan war over Kosovo, and that an attempt to repeat the pattern of Croatia and Bosnia will make international retaliation

against Serbia itself unavoidable. The

BOY! I NEVER THOUGHT I'D

only way such a threat will be believed is if the United Nations insists on an autonomous status for Kosovo and organizes a joint air and naval command charged with developing rules of en-

gagement and command structures.

But if we want to avoid being faced down sgain, it is important that a coher-ent strategy be developed first. The hap-hazard round of ad hoc conferences needs to be replaced: military measures

— if used at all — must be related to agreed political principles. It is dangerous to talk of one-shot bombing raids or of attacking specific targets like bridges or munitions plants unless one knows how far one will go. Otherwise, one runs a grave risk of fulfilling Bismarck's warn-ing: "Woe to the statesman whose arguments at the end of a war are not as persuasive as they were at the beginning. Los Angeles Times Syndicate.

# Born Bad? Seeking the Mysterious Fork in the Road

TO THIS day, I have no idea what I did for my L two boys that was constructive and useful and right and good, and what damaged them, none." - Beverly Lowry, "Crossed Over."

On the morning of June 13, 1983, Karla Faye Tucker, age 23, helped murder two people. There was a pickax involved. That is what people in Texas

#### MEANWHILE

remember, that the bodies of Deborah Ruth Thornton and Jerry Lynn Dean were full of pickax holes. That, and the fact that Karla Faye said she got sexual satisfaction every time she swung the pickax. It is not the kind of detail you forget.

Karla Faye is on death row now, awaiting execution by injection, and she never tries to make excuses for what she did, or to say she didn't do it. The extraordinary book, "Crossed Over," that a novelist named Beverly Lowry has written about the case is not about innocence. It is about redemption, about how one messed up little girl — "a doper at 8, a needle freak behind heroin by the time she was 11" went straight. Just in time to die.

There is no mystery, really, in Karla Faye's fall, not when you know her slide. Her mother, a prostitute, passed clients to her sister, who passed them to Karla. "My mother and I were really close," she says. "We used to share drugs like lipstick." In the beginning they were a middle-class family, with a little vacation house and a boat. Somehow it all unraveled. By Anna Quindlen

No, the central conundrum of the book is not Karla Faye but Peter, Ms. Lowry's own child, whose death at age 18 in an unsolved hit-and-run accident somehow led his mother to seek out the pickax murderess. Karla Faye led the kind of life you associate with sleeping on strange sofas and an early berth in the morgue. And Peter had the kind of life you associate with college and marriage and a house with a yard. But like Karla Faye, like the kids you meet in the

projects and some of the kids you meet in private schools, too, Peter crossed over and started to go bad. Not bad like Karla Faye, turning tricks in a motel in West Texas a week of every month and skinpopping because she liked the feel of the needle going in. Just bad enough so that us mount that "maybe there is such a thing as born bad." Just ng in. Just bad enough so that his mother thought bad enough so that she began to turn over, like a lemon drop sour in her mouth, a parent's deepest fear - that success is random, that we have no idea what we do that works and what does not.

I met a woman in a guns-and-drugs housing project once who told me her son was a sophomore in college. "How did you do it?" I asked, and she shrugged. "I got another one upstate," she answered. One in college, one in prison. The luck of the draw.

On death row Karla Faye was clean for the first time since she was a little girl: no heroin, no acid, no pills. She found God, took up aerobics and crochet-

ing, got her high school diploma and began college correspondence courses. "I wondered if you had to go to jail to get calm again," writes Ms. Lowry. From darkness to hope, she says. And implied are her memories of Peter: from hope to darkness.

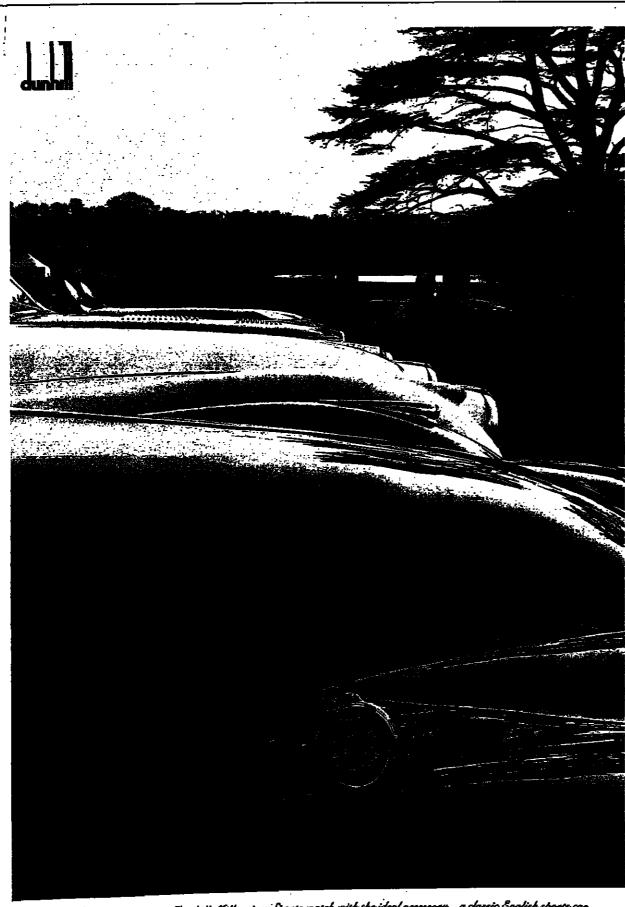
The prosecutor who once considered Karla Fave Tucker the "personification of evil" says she is a new person, lovable, valuable. Even the brother of one of the victims says he hopes she does not die. There are two Karla Faye Tuckers in this book. One is foulmouthed, wild, high as a kite and tough as cowboy boots. The other is sweet, deeply religious, empathetic and open as a cup.

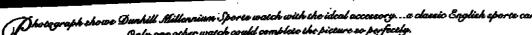
One may die for what the other did. The case is a

wonderful argument for the rehabilitative function of prisons, and against the death penalty. But the story of Karla Faye, and of Peter, too, is about something infinitely more important and mysterious
— that fork in the road, visible only in hindsight, at which some go south and others go on.

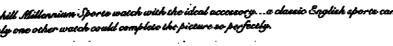
"How would you feel," Karla Fave Tucker asks Ms. Lowry from the other side of the Plexiglas in the visitor's room, "if they found the driver of the truck that killed Peter and there was a trial and they brought the driver up and said, 'Oh, but he's changed, he's a new person now. See how good he is? How would you feel?

"I don't know," Peter's mother finally replies. "I hope I would be generous. I'd like to think I'd be kind. But I have to tell you, I don't know." The New York Times





Sought after since 1898.





# Nationalist Ring in a Budapest Broadside Extremists

BUDAPEST — A leader of the center-right soverning party has touched off a storm with a report asserting that the political opposition, liberals, Jews, Western financiers and the press are sabotaging the government's work.

The political leader, Istvan Csurka, a vice

president of the Democratic Forum, published his analysis last month in the party weekly. The 57-year-old playwright was one of Hungary's most popular writers in the 1970s and '80s and an important figure in the opposition in the Communist era.

Mr. Csurka cited instances of what he considered Jewish and foreign influence over Hungarian affairs, deception by opposition members and wavering by his own party.

Referring to the Communist elite that for-merly ruled, he said, "Consensus is the nomenklatura's newest slogan to stay in power." Many Hungarians interpreted a reference to

"genetic reasons for deterioration" of the councrats, told parliament.

try as an allusion to Gypsies, but Mr. Csurka denied this.

Some members of Mr. Csurka's own party condemned his work, with one member likening its message to Nazi ideology. Prime Minister Jozsef Antall, who is also

president of the Democratic Forum, told parliament that he had to distance himself from some ideas in the publication. "Istvan Csurka's political pamphlet," he said, "offers politically harmful and wrong answers, with which neither the government nor I

He singled out Mr. Csurka's comparison of the International Monetary Fund's presence in Hungary to the postwar Soviet Army presence.

Opposition members were more blunt. Forces within the governing party who want to take the country in the direction of Balkan chaos have begun to dictate." Laszlo Kover, a member of the Federation of Young Demo-

8 Cato's 52

11 Dizzy

13 Curl the lip

18 Tube light

19 Buccaneer

26 Sky Bear

27 Cattail

29 impute

32 Spanish

33 Robust

36 Pizza

37 Not any

34 Love god

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36 Garden area,

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on Trinity Bay

42 Skinflints

44 Crooked

31 Unsmiling

26 Spur

23 Famous loch

No one can say how much support Mr. Csurka has in his party. The Forum is to hold a congress in November to determine its course, and until then Mr. Csurka and his rivals will be

seeking support.

While there does not appear to be much popular support for the far-right in Hungary now, commentators have said the Csurka study hit a chord of anger in society, appealing in particular to embittered, poor, elderly Hungarians who feel they have gained nothing from the end of communism but rising prices.

Others said it also reached out to the middle class, especially those who feel they have been denied economic opportunity and are sinking

'A lot of people are dissatisfied, because we had promised that they would live better, not that only those who had previously collected the capital could become entrepreneurs," said Istvan Elek, a member of the Democratic Forum's liberal wing.

# The Police In Germany

The Associated Press

BERLIN - Several hundred extremists threw rocks and firebombs at the police guarding a home for refugees in the northern German city of Wismar, the authorities said Sunday. It was the sixth consecutive night of disturbances there.

The police said that attacks on homes for asylum-seekers were reported in a dozen other cities in Eastern and Western Germany over the weekend.

In Senftenberg, 100 kilometers (60 miles) southeast of Berlin, 80 rightist radicals attacked the police station there with stones and firebombs late Saturday. Seven people were taken into custody,

The federal government has said it will increase police presence in the economically struggling eastern part of the country to quell the violence, now in its fifth week.

Interior Minister Rudolf Seiters will seek a legal change that would force asylum-seekers whose appli-cations are denied to leave the country before appealing the decision, a spokesman said Sunday. Authorities say the refugee home

in Wismar, a Baltic coast city, has become the latest focal point for rightist violence. Extremists there battled with about 200 police officers as they tried to attack the refugee home late Saturday. Chancellor Helmut Kohl con-

demned attacks on refugees, saying Saturday that such violence was a disgrace for our country." The government's new plans to confront the attackers include

sending more members of the German border patrol to help local police departments, said a spokesman, Roland Bachmeier, The measures also include establishing a hot line for reporting neo-

Nazi attacks and speeding up trials for accused attackers. In Berlin and in Saarlouis, near

the French border, hundreds of demonstrators took to the streets Saturday to show their support for foreigners.

Meanwhile, a Frankfurt real estate developer, Ignatz Bubis, on Sunday was elected head of the

Central Council of Jews in Germany, the nation's main Jewish organization. He said his first goal was to stop the rightist violence.

Mr. Bubis said he would also give priority to helping 15,000 Jews who recently arrived in Germany

from Eastern Europe. Mr. Bubis, 65, who was born in what is now Wroclaw, Poland, is a survivor of Nazi labor camps.

He was born in Le Puy, France, and was introduced to music at an name. He was knighted 1969. early age by his father, who was organist of the cathedral in Dijon. His family went to Los Angeles

LONDON (Reuters) - Sir Ger-

acclaim during a long career.

often offer better bargains than the glossiest brochure.

About People

**AMERICAN** 

Before Decanting,

Tips on Demystifying

Tips on buying wine are of-fered by Frank J. Prial, wine col-

umnist for The New York

• "Never buy a case until you've tried a bottle," because "a

alesman's pitch or an advertise-

— can never replace your

ment - even a friend's enthusi-

"Never shop on Saturday."

when "any good wine shop is a

• "Not all wine clerks are ex-

"Suspect bargains," because

"the wine may have been frozen

on a loading pier or forgotten in

"Price is rarely a measure of

quality," and "a well-made

Beaujolais at \$7 is always better

than an indifferent Burgundy at

• "Never panie-shop for

wine," because "you might pay too much just to be safe and find

yourself saying, lamely, The fel-low in the store said we'd love

wine at dinner than you might

• "Be on guard against cater-

ers," because "catered affairs are

notorious for being the dumping grounds for otherwise unsellable

• "Likewise mail-order wine,"

because a reliable wine shop can

a sweltering warehouse."

own judgment."

madhouse

\$12.7

the lower prices.

When a U.S. sepator dies, his widow is often named to replace him temporarily. Jocelyn Burdick, wife of Quentin N. Burdick, has been appointed by Governor George Sinner of North Dakota to replace her husband until a new election can be held. Mr. Burdick, a liberal Democrat, died Sept. 8 at 84. Mrs. Burdick. 70, has no political experience and is not expected to run for the remaining two years of the sixyear term when a special election is held Dec. 7.

**Short Takes** 

Navajo Indian veterans who baffied the Japanese during World War II with an intricate code crafted from their native anguage were honored last week at 50th anniversary ceremonies in Scottsdale, Arizona, Early in the war, after the Japanese had broken several other U.S. codes, Marine officials asked Navajo servicemen to invent a voice code based on their language for close quarters operations like artillery spotting. Navajo has no words for modern armaments, so plants and animals were substituted. Grenades became potatoes, bombs were eggs. The Japa-nese never broke the code.

There is very little bad wine." Indeed, "all wine is better than it was 25 years ago, even at Insurance payments for Hurricane Andrew, which devastated South Florida last month, are "Always buy enough," be-cause "gnests drink much more likely to climb above \$8 billion, The New York Times reports, but insurance companies are expected to take it in stride. The New York Times reports. It's earthquakes that scare them. Hurricanes, for example, don't knock skyscrapers down, but carthquakes can. A giant quake like the one hit San Francisco in

1906 could bring claims of \$40

billion or mole, and could bring "a disruption of naurance markets around the journtry,

Raising children far apart in age is a grown trend among parents. Althoug most children are spaced two to four years apart, families wh gaps of seven or even 20 years etween successive siblings are ecoming more common, says I Tony Jurich, professor of marige and family therapy at Kanss State University. It has to do with the increasing rate of remajage between people who alrely have chil-dren and decide have another child together. hat changes child-rearing patens. Brothers and sisters far appt in age neither squabble nor hum around. An adolescent what pull the baby's hair but my resent having to turn down th TV set when the newborn is naping. Finding a video tape that apeals to both toddler and teenage is difficult, as is resisting the inputation to murn the teenager to an auto-matic babysitter. In the other hand, one woman \$d, "Having a little brother aroud seems to make my older sas want to

Whatever happend to four-mouthed language a linner par-ties and other for al events. which was almost a rigueur in the 1970s? Henry Aen of The Washington Post therizes that these days foul langue has lost the power to shock ind seems merely coarse and old ashioned. The conceit of the la quartercentury," Mr. Allen vites, "has been that once these wids are in print, there's no gong back. There is, of course — the Victorians even censored the bible and Shakespeare."

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# Senate Votes Troop Cut in Europe

WASHINGTON — The Senate 135 voted to cut U.S. forces in Euope to 100,000 by Sept. 30, 1996, out not go below the present target of 150,000 until a year before that, It added the cut to a \$274 billion

sefense authorization bill by voice Senator Sam Nunn of Georgia,

**ACROSS** 

1 Count calories

5 Irritates

review

10 Gives a bad

14 Grimms' grim

15 Pamphlet, in

16 N African port

20 Blue Eagle org. 39 Sum up

Solution to Puzzle of Sept. 18

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COLORTELEVISION
ANT EARED ATLAS
ATMO EMS
THEPRINTEDBOOK
RATIO URIS RNA
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PAM TAME GREET
PAPYRUSSCROLLS
APT POEM
ABATE SPRAT AHA
BAKEDGLAYTABLET
ERIN MELEE SALE
LINT SWORD ARMS

17 FALL

chairman of the Armed Services said the goal could be adjusted any time between now and then. ready being reduced in Europe as fast as they can be in an orderly way to reach the 150,000 target by Oct. 1, 1995.

42 Forty-niner

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26 Pressing

22 Grenoble's river 41 Woody's son

But he said Congress should set the goal of 100,000 U.S. troops in Europe a year after that in line with other U.S. force cuts, though he

Senator Nunn said 100,000 U.S.

troops could carry on most of the present U.S. role in NATO, including maintaining headquarters staffs, the 6th Fleet in the Mediterranean and air and land combat

He said the major role that 100,000 troops could no longer carry on is to maintain in Europe a full U.S. Army corps with all the units

#### Scotland Yard Replaces Anti-Terrorist Leader

LONDON - Commander George Churchill-Coleman, the head of Scotland Yard's anti-terrorist branch for the last seven years, is to be replaced, it was announced Sunday.

The Metropolitan police com-issioner, Sir Peter Imbert, said in statement that Commander Churchill-Coleman would be replaced by Commander David Tucker, currently head of the force's criminal intelligence

9 Sight at a spt. 10 Another man's 12 Mother-of-pearl 24 Small change 25 Oriental nanny

> © New York Times, edited by Eugene Maleska. 50 Preminger or

45 Interior furnishings 43 Australian city 46 Wear away 47 Crippled 48 Sheep's cry

Kruge 51 Go up 52 Thought

53 Precious 56 Aficionado 57 Chin 55 Two-by-two

#### Roger Wagner, Choral Director, Dies Los Angeles Times Service

Roger Wagner, 78, one of the dominant figures in American choral music, died of cancer Thursday in his native France.

In the mid-1940s, Mr. Wagnerthen a church organist and choir director — took a handful of Los Angeles singers and shaped them into the Roger Wagner Chorale. For years, the group toured extensively in the United States, made recordings and sang in Europe and Latin America.

With the opening of the Music Center of Los Angeles County two decades later, Mr. Wagner co-founded the larger Los Angeles Master Chorale. It became the resident chorale of the new arts complex, performing with the Los Angeles Philharmonic Orchestra and presenting its own concerts.

Sir Geraint Evans, 70, **Noted Operatic Baritone** 

aint Evans, 70, one of Britain's leading opera singers, died early Sunday in Bronglais Hospital in Wales, where he was admitted more than a week ago after a heart attack. The Welsh bantone made his debut at London's Covent Garden in 1948 and won international

He specialized in comic and

Otis S. Freeman, 7

TV Engineering Impeator NEW YORK (NYT) Otis S. Freeman, 71, an imnovar in television engineering who liped de-velop the sports instant play and superimposed letters and raphics. died Thursday in Andersa, South Carolina, where he livedHe had

had a heart attack recent Mr. Freeman was the clef engineer at WPIX televisionin New York City for 30 years before being made head of engineering or the parent Tribune Broadcasig Co. in 1983. He won awards for the National Association of Bridgasters and the New York chater of character parts and was perhaps the National Academy of Television Arts and Sciences.

An elderly couple left Los Angeles on a surprise visit to their children, who had taken root in various cities around the globe.

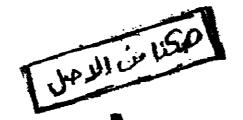
They arrived in Tokyo to find their youngest daughter had just left on a business trip to Singapore. We got them on the next flight out, but they arrived at Singapore immigration without their tickets and passports, which they had left on their plane that was due to take off for London. We rescued their travel documents just in time, and they dashed off to the reunion with their daughter.

In Madrid, the grandchildren wouldn't let them leave, and they fell in love with the Paris of their honeymoon, dallying too long and missing their flight to London. We got them on another flight within the hour, and they had such a good time they're planning to do it all again next year.

(Without the surprises, we hope.)

Singapore Airlines Ground Services. We're with you all the way.

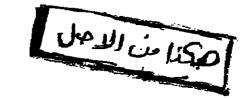




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Sadako Ogata showing Radovan Karadzic, leader of Bosnia's Serbs, where to sign the safe-flight pact.

# **UN Acts to Expel Belgrade Regime**

New York Times Service

UNITED NATIONS, New the Balkans, the Security Council Panic must first obtain the approvhas taken the first step toward effectively expelling the truncated Yugoslav state from the General Assembly.

That procedure means that the United States, Britain and France

By a vote of 12 to 0, the council ruled that Belgrade's representative cannot continue to sit in the seat of the former Yugoslav federation at the General Assembly session this year, which opened last week. China, India and Zimbabwe abstained.

Instead, the federation of Serbia and Montenegro, which still calls and helt the Serbs' campaign of

and Montenegro, which still calls and halt the Serbs' campaign of itself Yugoslavia, must reapply for "ethnic cleansing," which has UN membership as a new country, helped create more than a million as have the other republics that emerged from the disintegration of the vote represents the first time

expulsion by taking a similar step

To be readmitted to the General York — In an effort to force the Belgrade government to cooperate ment of President Slobodan Milowith efforts to end the civil war in sevic and Prime Minister Milan

By a vote of 12 to 0, the council ruled that Belgrade's representative cannot continue to six in the case.

Yngoslavia. the Security Council has began
The council called on the General Assembly to complete Belgrade's participation in the General As-

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#### **UN Plane Lands** In Sarajevo on A Test Flight

Compiled by Our Staff From Dispatches SARAJEVO, Bosnia-Herzegovina — A United Nations plane landed in Sarajevo on Sunday to test conditions for resuming aid flights to the city after a three-week

Sarajevo was relatively calm Sunday after intensive artillery

shelling Saturday.
The United Nations High Commissioner for Refugees, Sadako Ogata, recommended in Geneva on Saturday that flights start again, and a UN spokesman said flights would resume over the next few days if conditions allowed.

The flights were suspended Sept. 3 after an Italian relief plane was shot down, killing its four crew-

Officials say there is an urgent need to build up supplies for Sarajevo with the onset of winter now only weeks away.

In Geneva, the leaders of the Serbian, Croatian and Muslim communities in Bosnia-Herzezovina pledged Saturday to protect re-

lief flights.
In Sarajevo on Saturday, Serbian tanks shelled the 20-story parliament building, setting five or six floors ablaze. On Sunday, several people attending a funeral at a cemetery here were wounded when two mortar shells exploded nearby, witnesses said. (AFP, Reuters)

# U.S. Contradictions Strain Mideast Ties

By Jackson Diehl

Washington Past Service
WASHINGTON — The contrast between U.S. support for military measures against Iraq and American reluctance to use similar force in Yugoslavia is causing strains in Washington's alliances with Turkey, Egypt and other key allies in the Middle East, according to Arab diplomats and U.S. officials. Turkey and Egypt have complained to the United States at senior levels about what they

see as a "double standard." While U.S. warplanes are being used to enforce a "no-fly" zone in southern Iraq for the protection of Shiites there, U.S. officials continue to oppose using Western ground troops to stop aggression by Serbs against Bosnian Muslims, officials say.

Both countries have declined to support actively the recent U.S. military initiative in Iraq, though they were key participants in the international military coalition that drove

Iraqi forces out of Kuwait last year.
The Turkish government of Prime Minister
Suleyman Demirel has allowed U.S. planes to use its Incirlik air base to protect Kurds in northern Iraq, but it has made clear that it will not allow other operations from the base, either to maintain the new no-fly zone in the south or to attack targets in Baghdad if war

starts, diplomats say.

Turkey's foreign minister, Hikmet Ceti, told Turkish radio recently that the West's inaction in Bosnia-Herzegovina was "unacceptable" and made it difficult for him to explain to critics why Turkey should support

Western policy on Iraq.
President Hosni Mubarak of Egypt also

cited the lack of action in Bosnia in explaining to U.S. and Arab officials why his country would not take an active role in the Iraqi south, diplomatic sources say.

In contrast, both Turkey and Egypt have indicated that they would supply troops for a UN-orchestrated intervention in Bosnia that would go beyond the current mission of deliv-ering and protecting humanitarian supplies.

Diplomats and U.S. officials say other Arab countries, including Saudia Arabia and Jordan, have also pointed out the contrast in U.S. policies, though Saudia Arabia and other Gulf states have actively supported the no-fly zone in southern Iraq. Diplomats say Sandi concern about Bosnia has been shown through a \$50 million airlift of relief supplies mounted by the kingdom.

U.S. officials say that the Turkish and Arab discontent has not weakened the coali-tion against the Iraqi regime of Saddam Hus-sein, adding that Turkey and Egypt remain committed to the coalition.

Nevertheless, officials concede that the complaints they are hearing are part of what is becoming a growing problem in the post-Cold War world: how the United States as well as institutions like the United Nations can appear consistent in dealing with regional crises and ethnic wars erupting in various parts of the world — or how, at least, to prevent a judicious choice of inaction in one region from hamstringing a decision to move

Turkish and Arab frustration with the situation in Bosnia has compounded concerns that U.S. policy toward Iraq, with its empha-sis on shielding both Kurds in the north and

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and telecommunications systems.

Shiites in the south, is risking the breakup of the country into three separate states. Both Turkey and most Arab governments see that

prospect as catastrophic.

The Bush administration has repeatedly sought to assure its allies that it has no intention of dismembering Iraq.

The confluence of policies is particularly troubling for Turkey. Both in and outside the country, politicians and analysts point to the political and economic dislocations that could be caused in Turkey by Serbia's campaigns against Muslim populations near Tur-key's borders, as well as the growth of an increasingly independent Kurdish entity in northern Iraq at a time when Turkey is fighting a bloody war against Kurdish separatists inside its own borders.

The analysts argue that Western policies toward Iraq and the Balkans risk destabilizing Turkey, a NATO member as well as the only predominantly Muslim state in the Mid-

east to embrace democracy.

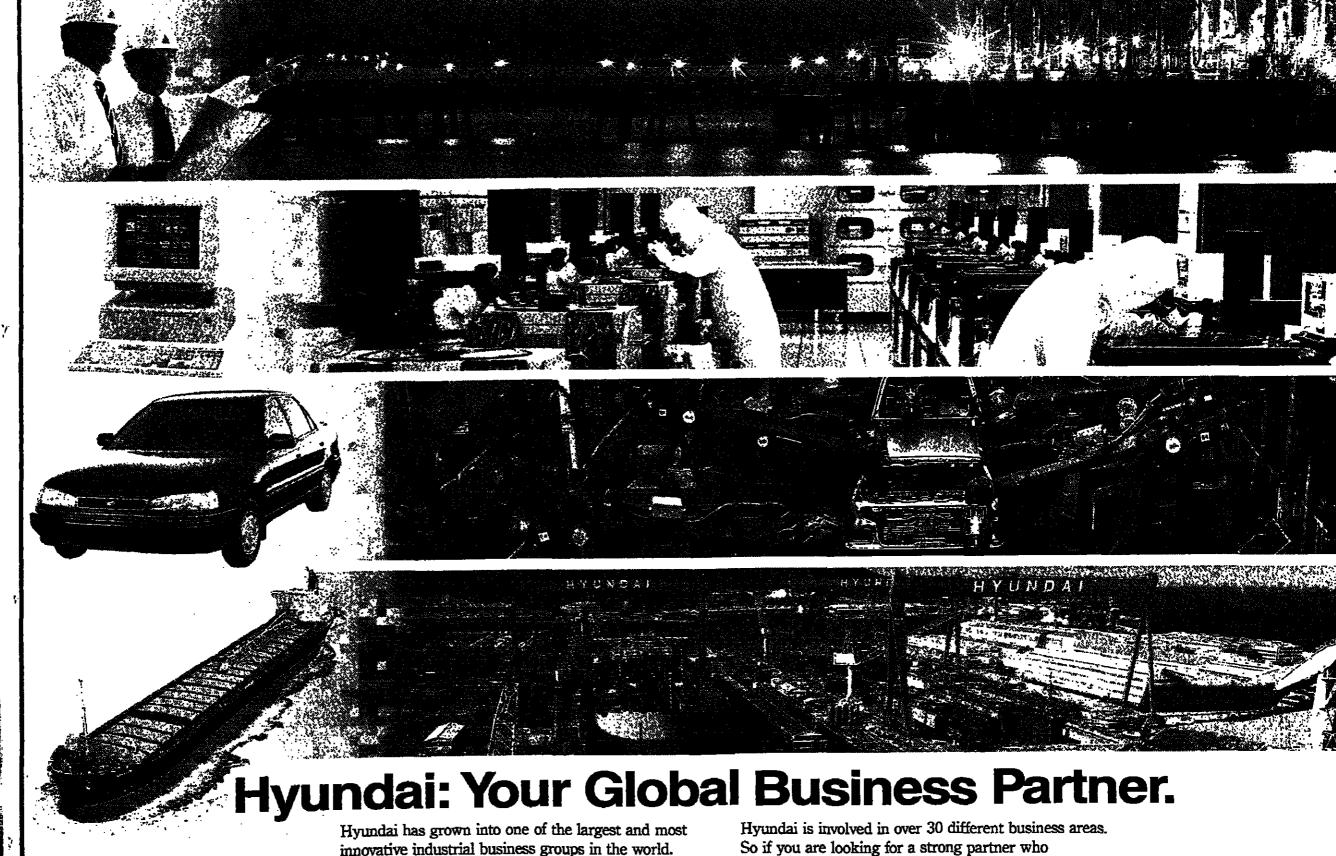
The problem for the West is helping maintain Turkish economic and political stability," said Morton I. Abramowitz, president of the Carnegie Endowment for Interna-tional Peace and a former ambassador to

"We can roil Turkish political waters to the extent we are not sensitive." From this point of view, he added, U.S. policies in Iraq and Bosnia "certainly are very negative factors, no question about it."

For now, however, the Demirel government, which remains eager to integrate Turkey with the European Community, does not appear close to breaking with Western policy on Iraq or the Balkans.



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## GULF: Schwarzkopf Book Says White House 'Hawks' Pressed Land War

inside account of his role in key decisions. Excerpts from the book, expected to be published next month, are circulating among military officials, and the text has been obtained by The New York Times. It is stirring controversy among officials who dispute some of the ac-counts and say the general is too quick to take credit for the wan's successes while assigning blame to subordinates for the shortcomings.

The book is also notable for the charges it does not make about the most sharply debated aspect of the war - whether the ground offensive ended too soon.

A month after the war ended, when it had become apparent that a significant part of the Iraqi Republican Guard had escaped, General Schwarzkopf said in a television interview with David Frost that he had recommended that U.S. forces "continue the march" but that Mr. Bush had instead ordered a cease-fire.

Mr. Bush and Defense Secretary Dick Cheney publicly rebuked the general, saying there was total agreement on when the war should be

In his book, General Schwarzkopf asserts that he had no objection to ending the ground war at 100 hours. The 100-hour figure, he writes, was picked by administration officials in Washington, who "really knew how to package an historic event."

Reacting to General Schwarzkopf's complaint about the rush to the land war, top administration officials acknowledged in interviews that they pressed him to speed up his military preparations, which had fallen behind schedule. But they say the general was not sufficiently sensitive to the pressure they faced in trying to hold the anti-Iraq coalition together and that he naively put too much stock in Moscow's negotiating efforts.

Among the other disclosures in the book are

• Though generally supportive of the American decision to confront traq, some Saudi offi-cials became "ambivalent" about opening an attack against Iraqi forces as war approached. After the Saudi commander, Prince Khalid ibn offensive from bases in Turkey, General Schwarzkopf had an angry confrontation with

 General Schwarzkopf severely criticized one of his senior officers, General Fred Franks. commander of the army's 7th Corps, assigned the mission of attacking the Republican Guard, accusing him of conducting a plodding attack. This was vigorously disputed by a senior officer under General Franks, who asserted that General Schwarzkopf was looking for a scapegoat because much of the Republican Guard es-

 After the Iraqis seized the Saudi town of Khafji. King Fahd wanted the military to send bombers to destroy the city, preferring to sacrifice it rather than allow Iraqi forces to remain overnight. General Schwarzkopf talked him out

• In an effort to keep Israel out of the war, the administration let Israel submit a list of targets in Iraq for American aircraft to strike. General Schwarzkopf's acerbic criticism of National Security Council and White House "hawks" challenges the administration's assertion that it took a hands-off approach toward the military's conduct of the war.

Although general does not name the "White House hawks," it is clear that he is referring to Brent Scowcroft, the national security adviser, and Robert M. Gates, the former deputy national security adviser who now heads the CIA.

The increasing pressure to launch the ground war early was making me crazy." General Schwarzkopf wrote. "There had to be a contingent of hawks in Washington who did not want to stop until we'd punished Saddam. We'd been bombing Iraq for more than a month, but that wasn't good enough. These were guys who had seen John Wayne in The Green Berets, they'd seen 'Rambo,' they'd seen Patton, and it was very easy for them to pound their desks and say: By God, we've got to go in there... Gotta punish that son of a bitch! Of course, none of them was going to get shot at." Administration officials acknowledged that White House officials wanted the military to

speed up its war preparations. But some officials asserted that the book indicated that the general had an overly benign view of Moscow's motivations in its diplomatic efforts and did not fully appreciate the difficulty of holding the coalition together.

Another top administration official who disputed the general's analysis said, alluding to the Soviet Union's diplomatic efforts, "To have allowed Saddam an orderly retreat would have enabled him to preserve his army and assert the invincibility of his forces.

"The implication of General Schwarzkopf's remarks is that only people who go into combat can make the decisions. He does not seem to understand that in our system the burden of decision is placed on civilians."

Among the most compelling episodes is a shouting match by telephone with General Powell over setting a date for the ground war. General Schwarzkopf raised the possibility of delaying the ground war because of bad weath-

After General Powell indicated that the White House was unwilling to delay the ground offensive, General Schwarzkopf complained that lives would be lost.

General Powell accused General Schwarzkopf of patronizing him and suggested that he was "putting on a big show" in front of his officers by charging that Washington was guilty of "political expediency" in wanting to proceed with the ground war. General Schwarzkopf insisted that he was being loyal to General Powell but confessed that he was under tremen-

Sometimes I feel like I'm in a vise — like my bead is being squeezed in a vise," he exclaimed to General Powell. "Maybe I'm losing it." General Powell, according to this account, sought to calm him down, saying be had full confidence

The dispute over the ground war date was resolved, General Schwarzkopf says, when the weather forecasters predicted better weather, and he told General Powell that he would attack on Feb. 24, 1991, as planned

# Floridians Fight Hurricane Shell Shock

By Joseph B. Treaster

New York Times Service

MIAMI - Four weeks after a hurricane tore much of southern Dade County into shards of debris, mental-health experts are measuring its inner toll. They say that the storm delivered the kind of joit rarely experi-enced off the battlefield, that they think thousands of people are suffering symptoms similar to those endured by Vietnam veterans and that some are taking out their aggressions on those closest to them.

Calls for help to the Domestic Violence Hotline in Miami have more than doubled, to about 100 a day, and Judge Cindy Lederman of the Dade County Circuit Court said that about 20 women have been applying daily for police protection from husbands or companions, up from an average of fewer than 10 a

Of course, most Floridians have not resorted to violence, And other indicators of stress, like child abuse, murder and suicide, seem

one in the region in some way.

Even those whose homes and possessions suffered little or no damage have seen the results on television and felt the pain. Yolanda Caicedo had only a couple of shutters ripped off her waterfront apartment in North Bay Village, but she has been waking up in the night, terrified and drenched in sweat. "In my dream everybody is sleeping out in the open, all mixed together," she said, "and the rain is pouring down on us."

Anita Bock, an executive in the state's social services agency, has been waking up in a panic several times a night. Victoria and Michael Hayes, who publish newsletters, have suddenly started yelling at each other over such things as whose turn it is to take care of their cocker spaniel. For a while, Buck Collison, 69, an out-of-work bartender, could not remember what kind of car he owned.

For most of the two million people in the

unchanged. But experts say the hurricane designated Andrew has harmed almost everyone in the region in some way.

region, mental-health experts say, the shock mourning and grief will be phenomenous that gradually fade.

But Charles Gibbs, who is coordinating the work of volunteer mental-health specialists with the Red Cross, estimated that perhaps

25,000 people will suffer lingering psycholog-No previously healthy person has been placed in a mental hospital because of the storm, said Randy Wilcox, the acting head of Florida's mental-health programs, and few of the roughly 40,000 people in the area who regularly receive mental-health services from

the state have taken a turn for the worse. But Mr. Wilcox said the state was gearing up in anticipation that the conditions of thousands of regular mental-health patients would deteriorate and that many others would seek treatment. Washington has provided \$3.6 million in emergency financing for

mental health; Florida is asking for about \$22

#### UN: Organization Strangling on Too Many People and Too Much Paper

(Continued from page 1)

Social Council in Geneva in the summer, often produce little more than talk and a break from New what former I landsraggers of the land of the lands of th York weather. Years of negotiation are invested in such endeavors as drafting a "code of conduct" for transnational corporations, with-out tangible result.

• The heads of specialized UN agencies and other top officials operate with few checks and balances in the absence of any standards for management. The system currently has no inspector-general, and a Joint Inspection Unit based in Ge-

These examples characterize a

what former Undersecretary-General Brian Unquhart calls "an enormous ramshackle structure" and "a most astonishing concoction." In ways that reform advocates find both absurd and infuriating

the UN system appears to have careered out of control. Many of its programs and activities have be-come redundant or irrelevant. Their main beneficiaries often are the bureaucrais they employ. The United Nations, its internal

self-policing. It has proved largely incapable of setting priorities, evalnating program results or climinating useless make-work. Budgets are opaque and auditing inadequate. Many entities have overlapping functions, but efforts to coordinate

them have largely failed.
"There's a hell of a lot of shocking things going on," said Rakiya
Omaar, the Somali executive director of the human rights group Afri-Watch, which is demanding an investigation of alleged misman-agement and graft in UN famine relief efforts. "I think there's a relief efforts. "I think there's a numerous irregularities and "weak great deal of incompetence, there's internal controls" at UN headquara lot of corruption, and there's no

accountability."
Secretary-General Butros Butros Ghali, who has promoted reform measures since taking office for a five-year term in January, declined to be interviewed for this series. In an interview published last month in the London-based Arabic newspaper Asharq al Awsat, however, he said he was battling his own staff in trying to implement unpop-ular reforms and "restore discipline in an organization where the negligence and fragmentation are wide-

Describing a recent trip to the Geneva offices of what he called the far-flung UN "empire," he said: "I went there, and I was atdecided to launch a reorganization

Recipient governments also rou-tinely plunder UN programs, di-verting aid from intended beneficiaries with little remonstration

tion run largely by diplomats.

There has never been efficient management," he said. Of the six UN secretaries-general so far. none has been management-oriented. They have been politically

In addition to its high-profile peacekeeping and political func-tions, the United Nations plays an essential role in setting global norms governing such fields as shipping, telecommunications and civil aviation. The issues of reform and accountability examined in this series, however, stem largely from a part of the system that gets little public scrutiny even as it eats up the great bulk of UN resources: the economic, social and humani-tarian programs aimed at development, emergency relief and "better standards of life" around the world in accordance with the UN Char-

Clearly, the United Nations employs many hard-working and ide-alistic people. But there are wide-spread complaints of uneven workloads and poor deployment of manpower. Parts of the system are overstaffed and lethargic, while others, particularly field offices in

others, particularly field offices in unpleasant places, are understaffed and overworked.

"There's such a bad distribution of the workloads in the UN system," a Rome-based UN official said. "The bulk of the work is done by perhaps one-third of the employees."

Local employees tend to bear the brunt of disciplinary action, such as criminal proceedings, when frand or other abuses are discovered, while erring international professional staffers often survive and even advance in the organiza-tion. At the same time, UN em-ployees who complain about irreg-nlarities have found themselves blocked from promotion or forced to transfer to other jobs.

It is a system that tends to cover up its abuses and discourage whisthe blowers. Most UN employees who spoke on these issues did so on condition of anonymity for fear of mining their careers. Many expressed concern that

disclosing waste and frand could jeopardize funding from donors and ulumately burt the people that the agencies are trying to help. But sources both inside and outside the UN system generally agreed that reform is imperative.
UN officials who advocate a

cleamp in their ranks say that management by the heads of agen-cies and other top officials has been inept and, occasionally, corrupt.
There is no supervision of any

agency on a weekly or monthly asis as you have in a government.

neva is made up mostly of retired critics say, has been self-protecting said a senior Rome-based UN offiand self-perpetuating rather than cial Governing councils of agencies' member states are "basically rubber-stamp bodies.

In a statement to a UN financial committee last year, the United States expressed grave concern over "the seriousness and number of cases of fraud and presumptive fraud" in the office of the UN High Commissioner for Refugees, or UNHCR. "Large amounts have been embezzled by UNHCR staff,"

the statement said.
In reports being released this month, the UN Board of Auditors, a group of outside analysts, cites ters and subsidiary agencies during 1990 and 1991 in what amounts to an indictment of UN management. A 136-page report on the UN headquarters and a dozen field offices enumerates irregularities or deficiencies in hiring, cash and property management, internal audits and purchases of everything from project equipment to airline tickets. Many anomalies reported by au-

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ditors "appear to be recurring" and point to a "lack of determination to enforce regulations and rules and make the heads of units of the organization accountable," the report

A recent confidential internal paper circulating in the UN Development Program, the system's tacked. There are thousands of main coordinating and funding staff. Half of them do not work. I agency for technical assistance, put the problem more bluntly. Citing "a deplorable vacuum of basic eth-Despite broad agreement on the ics" in the system, it noted wide-need for reform, abuses within the spread criticism of "prolific strucorganization persist and often go tures, pompous-Byzantine unpunished. The chiefs of some anathrides of ranking officials, opertonomous UN agencies rule their ational inefficiency and "gross fieldoms like autocrats, answering mismanagement of financial and

The 10-page paper listed a dozen cases of corruption involving the vortism in hiring and promotions.

Recipient governments also development agency's states. programs that totaled millions of dollars in pilfered funds.

For years, the East-West conflict effectively blocked fundamental from UN agencies.

Ronald I. Spiers, an American grew steadily more unwieldy. Now, who served as a UN undersecre- the expanding UN role in the world tary-general, attributes many of the and greater demands on its re-UN's problems to a shortage of sources have given reform efforts

"The United Nations has to reform itself to be appropriate to new llenges," Foreign Minister Andrei V. Kozyrev of Russia said in an interview. "Yes, the East-West confrontation was the major stumbling block, but when it is removed,

other problems remain. Founded by 50 countries in 1945, the United Nations currently has 179 members. Initially it em-ployed about 1,500 people. Now UN system - excluding the UN-related World Bank, International Monetary Fund and regional development banks -- counts more than 51,600 employees around the world, nearly 14,000 of them are attached to the New York-based Secretariat and its dependencies. In addition, at least 9,600 consultants were employed by UN agencies in 1991, the last period for which fig-

ures are available, Total spending by the UN system for the two-year period ending in 1991, including voluntary funds and peacekeeping operations, came to nearly \$15.6 billion, of which the United States contributed about \$2.6 billion. Since the first UN session in 1946, the United States has poured more than \$20.3 billion into the system, making it by far the

largest contributor. At present, the U.S. share of UN assessed budgets is 25 percent, double that of the next-largest single contributor. Japan, which is assessed 12.45 percent. At present, 44 percent of member states pay the minimum assessment of one-hundredth of 1 percent, and the shares of 16 new members have yet to be

A perennial problem for the U.S. government has been that, since regular budgets of the UN Secre-tariat are approved by a two-thirds majority of the General Assembly, countries that collectively pay less than 2 percent of assessments historically have had enough votes to control passage of budgets. And since the poorer countries are the main beneficiaries of UN spending, it has been in their interest to have more organizations, more programs and growing expendi-

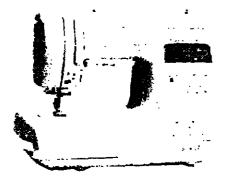
The United States, on the other hand, traditionally has been the strongest critic of wasteful UN spending, much of which inevitably comes out of the pockets of American taxpayers.

According to UN budget offi-cials at least 70 percent of the Secretariat's regular, assessed budget, which stands at \$2.4 billion for 1992-93, pays for salaries and other "staff costs."

NEXT: Abuses in Africa

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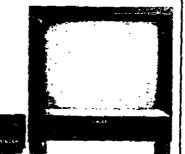
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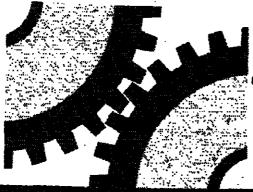
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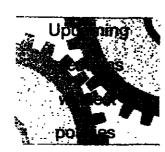
Economies / The Challenges of Transition

## Amid the Storms, **Some Sunshine**

With fierce speculative winds buffeting the European exchange-rate mechanism, the Nordic countries have not remained out of the storm. They have been making their own share of financial headlines as they struggle to cope with one of the heaviest bouts of recession since 1945. But there are reasons for optimism if their politicians can continue to stick to the tough monetary and fiscal pollcies necessary to regain in-

Amid the ambivalence recently shown in the European Community toward the adoption of the Maastricht treaty, the Nordic countries have had an ace in the hole - the European Free Trade Association agreement with the EC. The EC-EFTA link will come into effect January 1, 1993 and will create a free-trade zone of 380 million people, without the common foreign policy and currency aspects that have begun to concern many EC voters.

Of the four Nordic countries, only Denmark is currently a member of the EC. Finland and Sweden have presented formal applications, while Norway is still uncertain about whether to join. Yet Finland, Sweden



and Norway are all members of EFTA, and the EC-EFTA agreement has meant the acceptance of good many EC laws. In this way, the non-EC Nordic countries have been indirectly grooming themselves tor EC membership for some time.

For example, with Denmark showing the way, the Nordic countries have become champions of low inflation, a vital EC membership ingredient. All four countries boast inflation levels now between 2 percent and 3 percent, putting them comfortably below the OECD average.

Sweden's new budget is aimed at keeping inflation low and bringing down unit labor costs, which would encourage export-led growth. The government plans to bring down govemment expenditure substantially with 20 billion Swedish kronor (\$3.8 billion) in cuts projected over the next three years.

Sweden has also joined the league of corporate tax cutters, having slashed corporate tax levels from as high as 57 percent to 30 percent. There are plans next year to bring levels even lower, to as little as 25 percent. Value-added tax rates will come down from 25 percent to 22 percent, which should lighten the burden on households and bring Swedish value-added tax levels closer into line

with EC levels. The tax reductions aimed at wooing foreign investors coincide with a privatization scheme of 35 state-run companies, abolishing restrictions on foreign ownership of Swedish companies and the removal of the tax on share dealings. The

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package is also expected to contain a new 6.5 billion krona venture capital fund for small to medium-sized companies. Martin Hazq. European affairs expert at the Foreign Ministry, says, "Industry here has been lobbying for international integration for many, many years." It is too early to say how well the new regime will work, but Tetra Laval, the multinational best known for its cartons, has already moved its headquarters back from Switzerland. Meanwhile, Sweden is promoting forward-thinking regional development in the southern Oresund area.

As for Finland, the Parisbased Organization for Economic Cooperation and Development forecast a 3.3 percent increase in GDP in 1993, - particularly favorable given the past two vears of economic contraction as trade with the former Soviet Union collapsed. Rules preventing for-

eigners from owning more than 20 percent of voting rights or 40 percent of equity in a Finnish company without official state authorization are expected to be abolished next year. Another significant stumbling block to foreign investment, the difference between free and restricted shares, is also expected to come to an end; at present only 12 percent of shares traded in Helsinki are free. As a result of these radical liberalizations, combined with Finland's long experience in trade with the former Soviet JNION, WNICH IS NOW IN NI demand, new foreign investment in the country is projected to reach as high as 16 billion Finnish markka (\$3.67 billion). In contrast to its neigh-

bors, Norway has had the advantage of oil money to support fiscal expansion to soak up unemployment. The new budget has, however, tried to introduce real incentives by cutting taxes on oil and boosting the supply of risk capital by raising the ceiling for the amount



One of the ways in which the Nordic countries are integrating their economies into the rest of Europe is through privatization. Swedish Telecom, whose satellite station is shown here next to ancient rock carvings, is one company being put up for sale.

the wealthy social state security fund, Folketrygfond, can spend on Norwegian shares. An estimated 10 billion krone (\$1.7 billion) increase in funds available for equity investments will be injected into the market

by this change. The crucial element in the present recovery is the determination of the Nordic governments to stick to their anti-inflation, low-deficit guns. There are strong pressures to waver because of rising unemployment expenditures would give a temporary glow to these cold economies. With local elections starting in October in Finland, Norwegian elections scheduled in 1993 and Sweden's for the following year, the temptation to loosen the reins on government spending is

strong. With the exception of Denmark, which got started on its economic reform ear-Her than its Nordic neighbors and has had the bene-

fit of being linked to the European exchange-rate mechanism, the other Nordic countries have been facing serious economic challenges.

Sweden, the traditional success story of Scandinavia, boasting industrial giants such as Volvo and Electrolux, has been grappling with one of its most severe recessions since the 1920s. Unemployment, 2.7 percent in 1991, is forecast to reach 4.5 percent by

The European currence uproar of this month has caused the Swedish central bank to push up its marginal lending rate to astronomical levels - 20 percent, 75 percent and even 500 percent - In order to defend the krona. Finland, for its part, gave up the markka's fixed tie to the Ecu and allowed it to float, a strategy the Bank of England soon

found itself forced to follow. Sweden's dogged deter-mination to defend the krona will probably be taken as a positive sign by the international financial community. The 8 billion Ecu (\$5.8 billion) syndicated loan announced September 11 has been successfully underwritten in spite of upset in the country's financial markets. Some 25 banks are participating, from Sweden, Switzerland, Germany and Britain as well as Japan and

Like Sweden, both Finland and Norway have had

the United States.

to implement some tough measures to boost their economies. Finnish GDP saw a fall of 6 percent in 1991, and unemployment has soared to double-digit levels. Norway has seen a six-year-long softening of the financial sector, which has forced the government to step in repeatedly with billion-krone rescue pack-

> Last summer, the col-Continued on Page 11

Denmark / Scandinavia's EC member

## **Reaping Benefits** Of Tough Policies

ly stronger today than R has been for the last 20 years. Tight monetary and fiscal policies have lifted the economy out of a chronic balance of payments deficit dating back to the 1970s. it would be untrue to say

NORDIC COUNTRIES

that the Danish vote against the European Community's Maastricht treaty has not made some foreign and local investors uneasy. "We have not experienced any radical changes in foreign investor attitudes to Denmark after the June referendum, but that is probably because the economy is strong and the fundamental good reasons for investing in Denmark have not changed," says Joergen Tranberg of the Danish Foreign Ministry's Investment Secretariat. The Secretariat has not let up on efforts to draw attention to Denmark's advantages, particularly in the high-technology sector. The campaign, which was initially directed at the United States and Japan, is now going to be enlarged to take in West European countries starting in 1993.

Today, the Danes boast one of the lowest inflation levels in the world, a strong currency and steady export-led growth. The balance of payments surplus has hit record levels, with the latest figures from the Danish National Bureau of Statistics showing a surplus of 23.7 billion Danish kroner (\$4.15 billion) in the past 12 months - nearty

plus from the year before. Most of these gains have been made through aggressive exports of goods contrast, have stabilized. Denmark has also managed to ride out the worst of the currency speculation storm created by the strong German mark. While investor confidence dipped dra-



matically for Finland, Sweden and Norway, forcing drastic interest rate hikes. investor faith in the fundamental strength of the Danish krone, with its stabilizing link to the European exchange-rate mechanism, has allowed the Danes to escape with less dramatic adjustments. The Danish central bank has so far managed to support the krone against exchange-

rate pressure. The Danish economy has reaped significant benefits from EC membership; Danish agriculture in particular has made net gains from Community farming subsidies. But credit must also

er, : Staf Stra

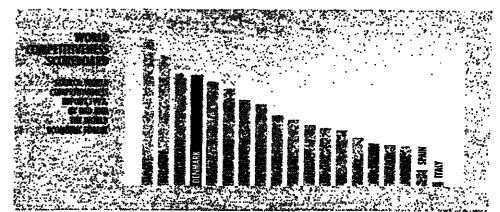
Continued on Page 11

INVESTMENT

# **DENMARK ON TOP**



Denmark: munber one ut business confidence



One of the world's most

Dusiness opinion about Denmark is changing, In 1992, the nation again improved its standing on the Executive Opinion Scoreboard of The World Competitiveness Report, moving from 4th to 1st place.

At the same time, it jumped from an 8th to a 4th place ranking on the Report's World Competitiveness Scoreboard.

Business confidence in the nation's future and in Denmark's ability to compete internationally is based on solid economic evidence - and geography.

A strong economy Consider the economic

picture. Denmark now bas: ☐ The lowest inflation rate in

Europe: approximately 2% ☐ A substantial and growing surplus in its balance of trade: more than 6% of GDP

■ Wage increases significantly below those of other

European countries A 3% growth rate in labor

productivity A strong, stable currency tied to the EMS

 One of the lowest effective corporate tax rates in Europe

A reassuring economic outlook. For 1993, the OECD projects growth of 2.9% in GDP

access to the European Community. Scandinavia and the Baltic basin. Foreign-owned companies can take advantage of Den-

Denmark is also strategically

located. It provides efficient

A central location

mark's location thanks to a well-developed infrastructure geared to international distribution. Indeed, over 2,000 firms are doing so right now. and the pace of direct foreign investment has increased markedly in recent years.

Denmark is on top. Wouldn't you like to be, too? For more information please contact one of the offices listed below or the

Danish Embassy/Consulate General in your country.

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# A solid partner

Kvaerner a.s is Norway's largest privately-owned commercial enterprise with some 100 production and sales companies operating in more than 50 countries worldwide. Total group operating revenue was NKr. 18.65 billion (£1.65 million). Operating profit was NKr 1,035 million (£91,6 million)

Kvaerner has 19,000 employees - 10,000 of them outside Norway in such countries as the UK, Sweden, Finland, Gibraltar, Canada, Singapore, Spain and Brazil where Kvaerner has a production presence.

**Kvaerner** has five core business areas in which it ranks among the world leaders. These are shipbuilding; offshore design and construction; pulping technology; shipping and mechanical engineering.

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NORDIC COUNTRIES

Finland / Reorienting the Economy

# About-Face in Trading Forces Change

Finland published in August by the Organization for Economic Cooperation and Development predicted a recovery from the country's current economic slump in the last haif of 1992. GDP growth was forecast at 3.3 percent in 1993 as increased productivity led to better cost competitiveness and export Derformance.

These predictions, however, are already regarded as overly optimistic following the government's announcement earlier this month that it would untie the markka from the Ecu and let it float freely. The currency immediately lost 15 percent of its value, after having already been devalued by 12 percent last No-

Finland's GDP shrank 6 percent last year and is predicted to decline another 1.5 percent this year. Unemployment is over 15 percent. The government has not been able to reflate the economy because the international payments account is deeply in deficit; total foreign debt is already

Nonetheless, there are reasons for the international community to be interested in the country's prospects. The Finns, following



Sweden's example, applied for membership in the European Community in March. Even before negotiations get under way, Finland is opening its economy in line with the EC-EFTA agreement on a European

Ownership of Finnish shares, now trading at extremely low prices, is due to be deregulated next Januarv. Until now, most companies have restricted the

# How to weather the weather

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**HOW LATVIAN BUSINESS** 

proportion of their equity that can be held in foreign hands to 20 percent. Foreign purchase of Finnish real estate will also be

> The government wants to retain a discretionary right to bar foreign takeover of one of the nation's 120 largest companies if the change in ownership would endanger an important national interest, but the Ministry of Trade and Industry says this is unlikely to be

invoked. Another upcoming reform concerns taxation of interest and dividends. If the government's proposals go ahead, all capital income will be taxed at a flat rate of 25 percent, making the country a more attractive business base.

Without the prospect of an economic recovery, however, these measures may not be enough to lure toreign investors. The financial sector has not been a drawing card; credit losses are straining all Finnish banking groups and some would already have perished without state aid. Bank shares have fallen more than 65 percent in price this year.

Until recently, the economy had been performing well. Finland industrialized rapidly in the 1920s and '30s, and completed its transformation into an urban welfare society in the '60s and '70s. The Soviets bought its ships and machines and the West its forest products, particularly paper.

in 1990, the Finnish economic engine ground to a halt. The present slump is uniquely severe in Finland's history, and remarkable for any Western economy. It has been brought on by a number of factors, some foreign-made, some homegrown.

The main external factor was the breakup of the Soviet Union and, even before that, the slump in its foreign trade. Throughout the 1980s the Soviet Union was Finland's most important trading partner, at one time

ports. The loss of this market forced a major structural adjustment on the

economy. Unfortunately, the West went into recession soon atter, hitting Finnish engineering companies when they were already down. Prices of paper and pulp also fell because of global oversupply.

Added to these difficulties were internal factors one being excessive soecialization. Forest products and engineering accounted for 81 percent of exports last year. The fall of the dollar has meant that U.S. and Canadian pulp and paper companies have been able to increase their market

There has been an immense transfer of funds to farming, a challenging business in this harsh northern climate. Most of the Western world exercises some form of agricultural protectionism, but Finland's is extensive and costs the country 4 percent of its GNP each year. This has left scant state funds available for nurturing new industries.

Some political observers see a second reason for the severity of the present crisis: a disregard for the importance of economic incentives. Key sectors of the economy are insulated from foreign competition and dominated by a small number of local companies. New antitrust iegislation, which came into force this year, may help to remedy this.

The labor market is another concern: the strength of Finnish unions is founded in law. National wage agreements between an employers' association and a labor union within a certain industry set the legal minimum wage level throughout that industry, even for nonunion companies. A government-appointed committee has been considering suspending this rule so as to restore flexibility to labor-intensive

#### TWENTY-FOUR HOURS AFTER FINLAND ALLOWED THE MARKKA

CHARTING THE CURRENCIES

5.0

TO FLOAT FREELY against Other CURRENCIES ON SEPTEMBER 8, SWEDEN HIKED ITS KEY LENDING RATE TO 75 PERCENT IN ORDER TO DEFEND THE KRONA.

- 🛆 Finnish Markika SWEDISH KRONA
- O DANISH KRONE NORWEGIAN KRONE

But the first priority is to release domestic resources cut the state budget. The public sector now consumes a quarter of Finland's GDP. Trimming it back will reduce the need

for export. The government finally has the authority to do this because of a change in the constitution that came into effect this autumn.

Until now, the passage of any law could be delayed to the next session of parliament if just a third of the members of parliament so voted. in effect, this meant that unpopular spending

1Ö 11

cuts needed a two-thirds majority. Now that all laws can be enacted by simple majority, the process of economic reform can be speeded up

13 14

Patrick Humphreys

**Sweden** / Putting Out the Welcome Mat

# **Deregulation Part of Coalition Reforms**

When four parties joined to break 50 years of almost uninterrupted Social Democratic rule in Sweden last year, a central plank of their policy was based on an initiative by the Social bership in the European

for foreign borrowing and

Although it was the previously anti-EC Social Democrats who had submitted the Swedish application, the Conservative-led coalition went into last year's election hoping to persuade the electorate that only a right-of-center govemment had the enterprise and energy to adapt the country to the demands of the larger market. They gained enough seats to form a government, albeit without a parliamentary majority.

The government has now been in power for a year, and the process of adapting to Europe is in full swing. The Swedish currency, the krona, was unilaterally linked to the Ecu. and through the European Economic Area agreement. Sweden and the other countries of the European Free Trade Association will European market when it is formed in 1993.

As recent events have shown, the link to the Ecu has not been an altogether happy experience for the troubled krona, with the Bank of Sweden having to employ the heavy artillery of record interest rates to resist devaluation. The govemment wants to show Brussels that it can run a tight financial ship and recently announced public spending cuts of over \$3 billion. According to Finance Minister Ann Wibble, however, "There will be no crisis package. Our longterm aims are to make Swedish industry more efficient and lay the foundations for sustained growth, and we stand by them."

Sweden is hoping for full EC membership sometime in 1995, giving the country a political voice in the Community to complement its economic involvement already established by the EEA. In a recent government publication on the effects of Sweden's "Europeanization." Sweden's minister of foreign trade, Anita Gradin, wrote: "We will be part of this dynamic age, shaping the future."

But, as one official puts it, the government cannot adjust Sweden's business community to the EC only the companies themselves can do that. Indeed, it was the many multinational Swedish businesses that first called for EC membership. The fear of remaining outside the internal market, with foreigners unwilling to invest in what they saw as an isolated northern outpost, superseded all other considerations. The government, putting aside political obstacles such as

the question of neutrality,

What the government can do is adapt the environment in which industry operates. This is being done through policies of tax-cutting, deregulation and privatization and by promoting competition and foreign investment. Corporate taxes have been cut from 57 percent to 30 percent, value-added tax on foodstuffs and many services is down from 25 to 18 percent (with more VAT cuts in the pipeline for 1993) and taxes on income, once famed as the highest in the world, are now within the 30 percent to 50 percent band. Sales tax on shares and other securities has been abolished, along with the wealth

and abolish real-estate tax on commercial properties. Deregulation has already had a major effect on transport, with domestic airline and taxi passengers enjoying lower prices and greater choice. Deregulation of the agricultural sector has surpassed that of many EC countries.

tax on working capital.

There are also plans to cut

energy taxes on industry

The government is well aware of the need to break up monopolies, a challenge it is meeting with the twin tools of privatization and new competition laws. The government has listed 35 companies due for privatization in the next five years, including the state telecommunications concern. Swedish Telecom.

"We have actually never had an official monopoly, says Bertil Thomgren, ST's senior vice president. "merely a de facto one." ST hopes for privatization next year, but the government may hold back for fear of creating a situation similar to that in Britain, where a state monopoly has been replaced by a hugely imbalanced duopoly. "But there they only had one new competitor," says Mr. Thomgren, "Here it will be vide open.

Swedish Telecom is facing the prospect of privatization and a possible flotation on the stock market with enthusiasm and energy. The company has begun a comprehensive cooperative project with elecommunications companies in two of the Baitic republics, Latvia and Estonia. Along with Finnish Telecom, ST is supplying the Baltics with an NMT mobile telephone network, has contracts to produce directories and will be part of the new ground-based telephone network in Estonia. Sweden's King Carl Gustal opened a Swedish-built foreign exchange in Riga, giving Latvians their first chance to call internationally without going via Mos-

The mining industry will also be privatized; the Swedish government is selling mining properties on the international market. The State Mining Property Commission will be abolished, crown shares will be disposed of and the only state involvement will be the provision of basic geological information to private explorers.

Sweden is also toughening up its competition laws, with fresh legislation due to come into effect on July 1, 1993. The current legislation only starts to make its presence felt when monopolies are abused, but the new laws will be more in line with the Treaty of Rome, stepping in to break up uncompetitive situations. A new organization, the State Competition Authority, was set up this July

to prepare the way.
"One of the main aims of these changes is to ensure that Sweden is not over-looked by foreign investors," says Martin Haag, European affairs expert at the Foreign Ministry. "In fact, they will make the country even more attractive as a home for investment funds. That is at the base of all our policies the attack on inflation, govemment spending cuts, reduced taxation and the trying of the Swedish krona to the Ecu."

Herbert Fromlet is chief economist at Swedbank, the Swedish savings bank. He is pleased with the measures the government is taking. "The administration is doing its best to attract investment, and that is a process that takes time, but these changes are welcome. Although there are stili major problems - rising unemployment, the budget deficit, the recession - we see some encouraging trends in falling inflation and better industrial productivity."

"Really, industry in Sweden is the key," says Mr. Heag at the Foreign Minis-

Keith Foster

# THE INDERENTATION TO BE STORY TO STATE OF THE STATE OF TH **CONNECTS TO THE WEST AND THE 21st CENTURY**



Mr Petens Videnieks, General Director of Lattelekom.

After the Republic of Latvia regained its independence, Latvian industry was as eager as its western counterparts to establish contacts. Unfortunately, both sides were severely handicapped by the limited and unreliable telecommunications, still routed via Moscow. The mechanical exchanges installed in the 50s and 60s were well maintained, but hopelessly inadequate to meet the surging needs.

To solve the problem fast, Swedish Telecom International - Televerket's international business development company - was assigned to install the first AXE digital exchange in the Latvian capital of Riga. At the same time, a sufficient number of reliable lines to the western world was opened via Televerket in Stockholm, Early in 1993, the new system will be totally integrated with the existing Latvian network.

Says Lattelekom's General Director, Mr Peteris Videnieks: "Rapid development of our telecommunications is a precondition for promoting business activities in Latvia. The "overlayed" international network, installed in cooperation with Televerket, gives business people as well as politicians every possibility to communicate with their western partners at any time".

This is no coincidence. Sweden has a highly digitalized exchange network, more telephones and mobile telephones per capita, and more work terminals per employee than any other country. It is also the most open telecom market in Europe.

And, as in Latvia, we welcome any opportunity to turn communication challenges into mutually rewarding business opportunities.



Within Televerket, Swedish Telecom International develops and markets international telecommunication services. For further information, please write or call: Swedish Telecom International AB, P.O. Box 4646, S-116 91 Stockholm, Sweden Tel. +4687437500, Fax +4687437713.

#### SWEDEN OFFERS FOR SALE Mining resources and property

Due to the recent decision by the Swedish Government to sell its mining property, opportunities have been created to offer metal and mineral prospects to the world market.

Sweden has benefited from a long tradition of mineral explaration and mining. For decades the Swedish State, either by Itself or in association with the mining industry, has explored the raw material resources of the country's bedrock.

With its origins dating from the 11th century Sweden can boast a well established system of democracy which provides for stability in society and solid principles of business practice. As a consistently reliable international partner, Sweden can offer an established climate for investment, Revised policies related to business venture and taxation have created a very attractive position for the foreign investor in Sweden. In addition a forthcoming mineral code will create new conditions beneficial to the industrial mining sector,

A serious evaluation of prospects for metal and mineral resources has been developed into qualified systems of geo-information that now can be offered to the international mining industry market. Exploration records include alroane magnetic and electromagnetic surveys, geochemical surveys and detailed information on mineral prospects which have been explared to varying degrees. Part of the exploration record will also be available as computerized information,

For further information about the sale of Sweden's prospects on

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**ECONOMIC PROGNOSIS 1993-1997** 

TRADE & INVESTMENT THE TWIN ENGINES OF GROWTH I

Norway / In the Pipeline

# West European Oil King Diversifies

While many in Norway remain ambivalent over the question of EC membership, its businesses are already seeking to take advantage of new opportunities offered by the European Economic Area. Norway is also expanding and diversifying its industrial and commercial base as the country moves into the 21st century.

Norway's great source of

income is its North Sea oil and gas. It is now Western Europe's chief oil producer, in 1991 having produced 1.86 million barrels per day over Britain's 1.80 million barrels per day, and averaging more than 2 mil-llon barrels per day this year. Not content to stop there, the industry is preparing to invest over \$8 billion in its oil and gas fields in 1993, according to a survey by the national statistics bureau carried out in the second quarter of this year. This means a jump of almost \$2 billion, or around 30 percent, over planned

vestment this year. Most of the investment will go toward the development of new fields, as several large fields have entered a cost-intensive phase of their long-term development. On top of this come planning costs for several new fields that Nor-

oalition Figioras

way has decided to concentrate on. Investments in fields already in use and land-based operations will grow by \$1.5 billion.

The actual figures may turn out to be even higher. Calculations for this year's investment at a similar stage in 1990 fell almost \$2 billion short of the actual figures. Signs look good, too, for employment in the oil and gas industries, with over 63,000 people employed in this sector in 1991. That number was 12,000 more than in 1982, and the latest analyses pre-dict another 7,000 jobs to come in the next decade.

When it comes to finding new fields, the Norwegian oil giants Statoil, Norsk Hydro and Saga Petroleum are casting their nets wide. Although surprises could still occur (particularly off central and northern Norway), the North Sea has been thoroughly explored, and new fields are likely to be of small or medium size. So the Norwegians are vovaging to distant shores: Nigeria, Namibia, China, Indonesia, Vietnam and the former Soviet Union. "There is a tremendous need for the technology, skill and experience we have gained in the North says Torleif Enger,

director of Norsk Hydro. When the Natural Gas sively broken up. In the last

business area was formed in 1989, Norway feared problems in selling its reserves. Now, thanks mainly to environmental concerns, European gas consumption looks set to double, and the problem is meeting demand. The current Statplpe/Norpipe gas delivery lines to Europe will be supplemented by the scheduled Zeepipe and Europipe lines to Belgium and Ger-

many in the next three

These pipelines are symbolic of the increased trade Norway hopes to have with the Continent when the European Economic Area agreement comes into play in 1993, making Norway part of the EC's internal market. The Labor government is set on applying for EC membership this year, but opinion polls still show a large anti-EC contingent, with arguments over the fishing and agriculture is-sues still critical. More positive toward the larger market and greater competition are the newer industries and high-technology sec-

The case of Norwegian Telecom is a good example. Not so long ago, it held a total monopoly in its area, but that is being succes-

tors like banking, electron-

ics and telecommunica-

four years, competition has been allowed in the production of terminal equipment and telephones, value-added services, data transmission and resale of surplus capacity on NT lines, "The demand from companies for data transmission facilities is rapidly increasing," says an NT spokesman, Dag Melgaard. 'in fact, so much so that we can hardly keep track of how much the lines are being used.''

in 1991, the monopoly on the supply of mobile telephones was broken, with two operators being allowed the concession on the new GSM system, to be launched in the near future. Norway is still experiencing a boom in the use of mobile telephones, with over 240,000 subscribers to the Nordic NMT system now in place.

Norwegian Telecom is adapting to its new market situation from within, with plans for a new streamlined organization currently under parliamentary review. The new profit-oriented group would thus shed one-third of its work force in the next four years but, in typically Scandinavian fashion, the cuts will be achieved mostly by "natural" reductions, with thorough retraining schemes to help those who lose their

WHILE ALL THE NORDIC COUNTRIES NOW SHOW INFLATION RATES BELOW THE DECD AVERAGE FINLAND AND SWEDEN ARE STRUGGLING TO BRING THEIR ECONOMIES INTO LINE WITH EC BENCHMARKS

FINLAND **☑ NORWAY SWEDEN** 

DENMARK

\*1994-1998

SOURCE: POLITICAL RISK **SERVICES, SEPTEMBER 1992** 

jobs to find their feet again. NT is also cutting prices by a hefty 28 percent over the period 1990-93.

For the big banks in Nor-way, meanwhile, times are still hard, with the major losses that began to show in 1988-89 still coming. Last year saw losses of over \$3 billion, with estimates for the first six months of 1992 indicating no improvement.

While the big banks recoup, the smaller savings banks are making handy profits from disaffected

the best opportunity for foreign banks to move in, but Amo Rasmusson, assistant general secretary of the Nordic Confederation of Bank Unions, predicts they will face difficulties. "We've had foreign banks trying here before, but the Norwegian market is a strange one. It's a country where banks require a lot of resources to build up a ser-

coming up, this could be

Keith Foster

REAL GDP GROWTH IN %

Economies / The Challenges of Transition customers. With the EEA

### Some Sunshine

INFLATION IN

Continued from Page 9

lapse of Denmark's second-largest insurer, Hafnla, sent shock waves through the other Nordic capitals. The Danish insurance group had been involved in major takeover bid with Norway's largest insurer, Uni Storebrand, for Sweden's Skandia. Hafnia's ambitious plan was to create a pan-Scandinavian insurance giant, but this fell through when Skandia rejected the takeover. Over the summer, evidence of Hafnia's overspending began to seep out, including a number of dubiously secured investments.

The Hafnia Incident triggered off a chain reaction, with Norway's Uni Storebrand being forced into public administration. Skandia's share prices have been affected, as have Baltica, Denmark's largest insurer, and Finland's Pohjola insurance group; Hafnia has significant shareholdings with all three insurers.

-3,50

-3.80

The various Scandinavian creditor banks to Hafnia and Uni Storebrand, which are some of the region's largest and most prestigious, are now waiting to see what can be salvaged.

Xueling Lin

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men Star Lsia arte Yor

#### Reaping the Benefits of Tough Economic Policies the Danish portfolio is

Continued from Page 9

**Denmark** / Scandinavia's EC member

be given to Denmark's own export efforts. While other Community countries still floundered with export deficits with Germany in the late 1980s, Danish exports rose dramatically, particularly after German unification, with little help from Brusse

Part of the reason Denmark has managed to maintain Investor confidence is because the minority right-of-center coali-

tion has stuck to its tough economic policies. In the new 1993 draft budget, the government proposed heavy spending cuts to reduce deficits and keep the economic revival on track. Denmark took the necessary steps to get its economic house in order earlier than its Nordic neighbors, and this is paying off now.

One major worry Denmark still shares with the other Nordic countries is rising unemployment,

which has passed the 10 percent mark. The push from opposition parties, and even to some degree factions within the government coalition, to boost government spending is increasing. Erik Hoffmever. longtime director of the Danish National bank, has, however, warned of the dangers of slipping back into old ways of excessive government expenditure.

Reactions of local industry to the referendum result have been mixed. The Danish toy-brick manufacturer. Lego, has stated that it will suspend plans to build a new factory in Denmark until its position in the community has been clarified. Carlsberg, the Danish brewing giant, has taken a more robust view and is going ahead with a 1.3 billion krone investment in new bottling facilities in Copenhagen and at their high-tech plant in the provinces.

According to a study based on the 1991 World Competitiveness Report,

"strongest in the areas of geographical location, po-litical affiliation, social accord, business environment and educated work force."

Denmark's high level of compliance with Community directives also makes it attractive to foreign investment. Foreign manufacturers based in Denmark can be certain that there are no nasty surprises in store, because once they have met Danish requirements, they

have fulfilled Community requirements. The Danes point out that

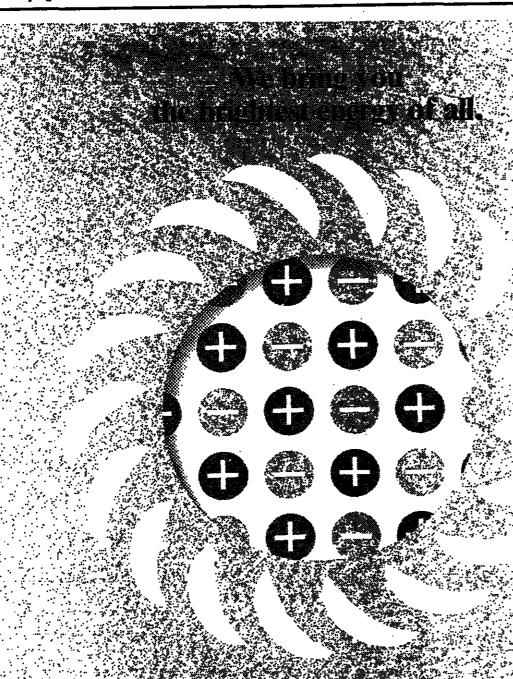
rejection of the Maastricht treaty is not synonymous with rejection of the EC. They would like closer economic cooperation, but are wary of taking part in a common defense policy or the more tar-reaching aspects of monetary union. Judging by opinion polls in the other Community countries, they appear to be

Xueling Lin

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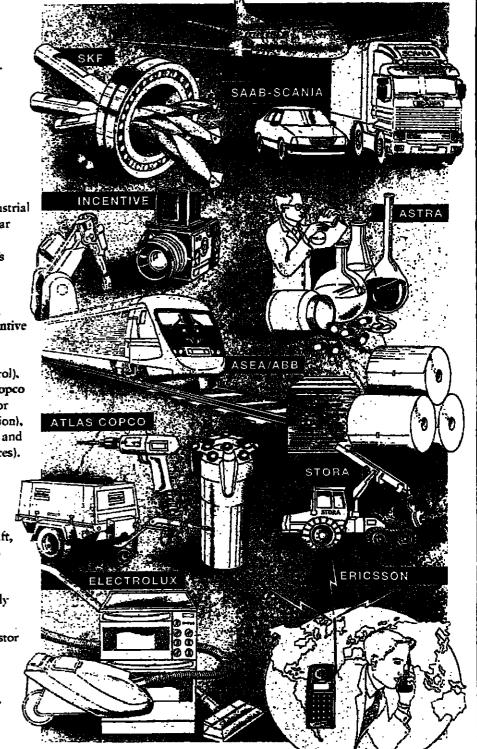
are in Astra (pharmaceuticals), STORA (forest products), Incentive (industrial group), ASEA/ABB (transportation, infrastructure, power and environmental control), SKF (rolling bearings), Atlas Copco (compressors and equipment for industry, mining and construction), Ericsson (telecommunications) and Electrolux (household appliances).

In 1991 Investor AB acquired the Saab-Scania industrial group, which manufactures Scania trucks and buses, Saab commercial and military aircraft, Combitech aerospace products and industrial electronics, and Saab passenger cars (through Saab Automobile, owned jointly with General Motors).

In the last ten-year period, Investor AB's net worth increased by more than 20 percent per year. The Investor share is listed on the Stockholm Stock Exchange and on SEAQ International in London. Investor's convertible debenture loan is listed in Stockholm and Luxemburg.

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## CAPITAL MARKETS

# **End of Exchange Controls Opened the Door to Chaos**

By Carl Gewirtz

ARIS — Did Europe put its cart before the horse? By He Conciliates removing exchange controls before fully achieving what analysts call "convergence" of economic policies - and most especially interest-rate policies — did governments inadvertently open the way for the tidal wave of speculation that forced Britain and Italy out of the European Community's system of semi-fixed exchange rates last week?

That's a contentious view, but one reiterated by economists who in the late 1980s warned of such consequences as the EC laid plans to create a single market allowing for the free circulation of goods, services, capital and labor by the end of this year.

With too little

convergence among

The argument was and is that where you have a fixed exchangerate system you need a complete similarity of policies," said Charles Wyplosz, an economist at the Insead business school in Fontainebleau, France, and an early critic of the move to climinate currency controls.

economies. You must have either full speculators had a field monetary union, or capital controls or just a free floating sys- day. tem. There was no clear under-

tanding" he insisted, "that you can't run a fixed exchange rate system without capital controls" in advance of monetary union. Under the 1988 agreement creating the single market, member states committed themselves to the full liberalization of capital movements. Germany, the Netherlands and Denmark never had any controls and Britain had removed its restrictions in 1979.

France abolished its controls in 1989, Belgium, Luxembourg and Italy in 1990 and Spain earlier this year. Neighboring countries planning to seek admission shadowed the move and Sweden, in 1989, and Finland, in 1990, followed suit.

Ireland is slated to end its controls by the end of this year. Portugal and Greece were given an exemption until 1995 and in any

event Greece is not a participant in the exchange rate grid.

Thanks to Portugal's controls, Mr. Wyplosz noted, the escudo has been able so far to withstand the speculation engulfing Europe-

The current round of currency distrust began in Finland, where the markka was left to float and declined some 10 percent. The lira was the next target. Foreign investors, who had gambled

rich double-digit bond coupons were nearly as safe as 8 percent vields in Deutsche marks, as the currencies are linked, joined domestic institutions in dumping the currency as doubts about the viability of the exchange rate mounted and operators in the foreignexchange market, scenting a quick profit, joined the melec.

One small gauge of the investor funds at risk: David D. Hale at

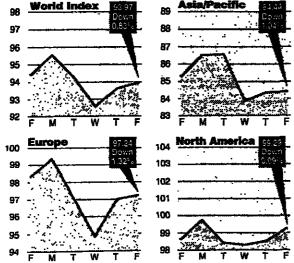
Chicago-based Kemper Financial Services estimates that "in the U.S. alone, there was over \$22 billion in high yield money-market funds targeted on Europe in the belief that devaluations had become obsolete

After the lira devalued 7 percent, sterling moved to the top of the suspect list and by the end of the week both Britain and Italy gave See CAPITAL, Page 15



#### THE TRIB INDEX International Herald Tribune World Stock Index, composed

of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Week ending September 18, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	9/18/92 close	9711/92 closs	cpande %		Cicee	ciose	chang
Energy	97.38	96.52	+0.89	Capital Goods	97.60	87.57	+0.03
<u>Utilities</u>	88.41	91.91	-3.81	Raw Materials	99.35	97.25	+2.16
Finance	83.25	84.51	-1.49	Consumer Goods	98.63	98.51	+0.12
Services	97.69	99.26	-1.58	Miscellaneous	102.32	100.33	+1.98

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten too stocks are tracked.

O international Herald Tribune

#### **CURRENCY RATES**

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# INTERNATIONAL HERALD TRIBUNE, MONDAY, SEPTEMBER 21, 1992 Sweden Set for Tax Rises, Welfare Cuts Yeltsin

Looks for Compiled by Our Staff From Dispatches
STOCKHOLM — Sweden's center-right government, moving to stabilize the krona A Deal amid Europe's currency crisis, announced Sunday a dramatic agreement with its Social Democratic opposition on tax increases and The package, the biggest austerity program

in Sweden's modern history, was designed to pump 40 billion kronor (\$7.3 billion) into state coffers to stabilize the economy and prevent a outweighed by other factors just now — the **Anti-Reformists** devaluation of the Swedish currency, which is pegged to the European Currency Unit. Prime Minister Carl Bildt's minority gov-By Steven Erlanger New York Times Service

MOSCOW - With the Russian ernment engaged in four days of horse-trading with the largest party, the Social Demo-crats, on the package to restore confidence in government weakened and the economy slipping out of control, an important session of the legislature Sweden's central bank had to raise its opens this week amid signs that President Boris N. Yeltsin is seeking further compromise with forces opposed to Western-style economic reform.

short-term interest rates to 500 percent last Wednesday to support the krona in the currency crisis preceding Sunday's French referendam. But the record high rates brought creased taxes, with a smaller portion coming Wednesday to support the krona in the cur-rency crisis preceding Sunday's French refer-

real estate transactions and short-term lend-ing to a virtual halt Friday, threatening to suffocate the economy

"A confidence-building savings package is good for the currency, for interest rates and for exchange rates," said Bjorn Carlsson, managing director of an investment firm. But Harald Lunden, a Swedish broker, was more restrained. "The savings program

rency realignments in Europe."

Mr. Bildt said the full effect of the package would not be realized until 1997, when he hopes Sweden will be a member of the European Community. But Mr. Bildt said the sures would strengthen the national bud-

referendum in France, the krona, and cur-

get by 28 billion kronor next year. According to the national news agency,

from reduced social benefits. Mr. Bildt's coalition came to power last September on election platforms promising cuts in taxes

and government spending.
TT said the package included increases in taxes on gasoline and tobacco, and delayed the cut on property and wealth taxes that the

According to TT, the defense budget was to be cut by 1.2 billion kronor, while the government spends 10 million kronor to create 150,000 jobs. Sweden is experiencing a postwar high of 5.8 percent unemployment, according to official figures.

The package calls for sick pay and occupational-injury insurance to be taken out of the state treasury and transferred to employers and unions, TT reported.

The agreement also says that employees should receive no pay for their first day of sickness, 65 percent of pay for the second day, and 80 percent thereafter. That is a major change from the current program.

which pays workers 80 percent of their salary

A plan to pay parents to care for their children at home as an alternative to state day care was put on hold, TT reported. It was a favorite program of Mr. Bildt's Moderate Party, as well as his coalition partner, the

Christian Democrats. Also, government subsidies to families with children, a benefit from the years of Social Democratic rule, will remain frozen instead of being raised Jan. I, as had been planned.

Political commentators said that whatever the fate of the crown, the pact between Mr. Bildt and his archrival, the Social Democrat leader Inguar Carlsson, was a milestone in Swedish politics. "It means that politicians have obeyed the broad mandate from voters to take responsibility for the whole country rather than their party," the conservative newspaper Svenska Dagbladet commented.

# **Ministers 'Committed' to EMS**

By Paul F. Horvitz

WASHINGTON — Europea finance ministers defended the European Monetary System on Sunday as a central ingredient in Enrope's prosperity but took no immediate action to ease pressure on the tattered exchange rate mech-

The clash, which the central bank and its acting director, Viktor The ministers' broadly worded Gerashchenko, have been wincommunique, issued during the an-nual meeting of the International ning lately, is in essence about the size of the state's role in controlling Monetary Fund, came after results the economy. But in narrower of the French vote on European terms, as always here, it is an inunity were publicized late Sunday. tensely personal struggle for power It appeared that any further deciand perquisites.
"Russian politicians always get sions on Europe's currency situation would await the outcome of at their priorities mixed up," a senior Western diplomat said. They're so least some market reaction to the

vote in France.

involved in their power struggles, The brief communique declared which have a lot to do with access that the ministers welcome the to the dacha, the car, trips abroad, French outcome and "expressed their view that the result will ease and access to hard currency, that they really don't see that the econotension in the foreign exchange markets and reiterated their com-For Mr. Gaidar and his team of mitment to the European Mone-Western-oriented ministers, this is tary System as a key factor of ecoa moment of some despair. Mr. nomic stability and prosperity in Gerashchenko, who took over the central bank in mid-July, issued about \$5 billion in credit in July

At the same time, some international bankers and finance officials expressed cautious hope Sunday that economic conditions were stabilizing after a week of turbulence. Theo Waigel, the German fi-

nance minister, predicted little currency turbulence, saying markets had already anticipated the pivotal

vote in France on the European

union treaty.

He called the apparent victory in France for ratification of the Treaty on European Union "a positive signal for integration in Europe and a positive signal for the mar-Any detailed European response

to currency unsteadiness will have to wait until after European officials meet in New York on Monday, an aide to the European Community said.

dicted that markets would "stabi-One focus of the optimism remained on interest rates in general and Germany's relatively high rates in particular.

President George Bush also pre-

Wolfgang Röller, management board chairman of Dresdner Bank AG, said Sunday that inflation was abating sufficiently in Germany to raise expectations of lower domestic interest rates, even without intervention from the powerful German central hank.

This process will continue," he said at a news conference during the annual meetings of the World Bank and the International Monetary Fund. "It does not require a further push by the Bundesbank." And Norman Lamont, Britain's chancellor of the Exchequer, said

already had produced "some loosening of monetary policy" that was favorable to economic growth.

In a joint policy statement, representatives of the wealthy industrial nations - the so-called Group of 10 - declared Sunday that continuing good performance with respect to inflation should provide further scope for an easing of monetary conditions.

Europe's finance ministers met in Washington and braced for what Henning Christophersen, an EC some analysts said would be an inevitable restructuring of Europe's exchange-rate mechanism to more accurately reflect economic realities. And despite the calm ex-pressed in official statements, some economists and traders cautioned that further shake-outs could en-

> The contingency plans expected to be discussed by the European ministers included further devaluation of some European currencies, buying by central banks to bolster weak currencies as markets open Monday, changes in fiscal policies. and changes in the exchange-rate system that binds Europe's currencies, The New York Times report-

The Group of Seven, consisting of the United States. Germany, France, Canada, Italy, Britain and Japan, forms the core of the Group See EMS, Page 14

# Big Currency Players Explain Their Fright

By Jonathan Fuerbringer New York Times Service

NEW YORK - Currency traders who have been placing highrisk bets have had a lot to do with the crisis that is rolling through Europe. The word speculator, an accusation in itself, has rolled easily off the lips of finance ministers, like Norman Lamont of Britain, who are looking for scapegoats.

But there is growing evidence that it is the much more conservative institutional investors — the mutual funds, corporations and pension funds — that have humbled the pound, the lira and the peseta and helped to threaten the future of the European Monetary System and economic unity.

These institutions have invested hundreds of billions of dollars in Britain, Italy and Spain, where interest rates are high, on the assumption that the European Monetary System was providing them inexpensive protection against adverse currency fluctuations. The underlying weakness of these currencies, which normally would threaten to wipe

out any gains from the investments, could be ignored.

But as the EMS buckled last week the safety of those investments and corporate strategies was undermined. And the sudden rush of many institutions to protect their investments by buying Deutsche marks and selling the weaker currencies in Europe - the pound, the lira, and the peseta - may well have provided the weight needed to break the back of the system. While there are no exact figures on how sizable those investments are, they are clearly considerable.

"If you add up the funds, it is billions and billions of dollars that trickled in slowly, but they all wanted to get out at once," said Richard Jaycobs, the managing director of Finex, a financial ex-change in New York that offers instruments for protecting against currency fluctuations.

Other financial executives offer similar views.

"I think the market is driven by the big investors: the mutual funds, the pension funds, the endowments," said David W. Rossmiller, vice president of international fixed-income management at the Travelers Investment Management Co. in Hartford, Connecti-

See LETDOWN, Page 15

#### Hong Kong Notebook

This summer, the Russian econo-

my has borne the brunt of an unresolved political and constitutional

struggle over the money supply.

The executive branch, under the

acting prime minister, Yegor T. Gaidar, has been trying to limit the

granting of new credits to industri-

tion down and encourage structur-

al changes in the economy. But the central bank, which is responsible

to the legislature, has opened the

credit spigot wide in the hope of

reviving production and avoiding

high levels of unemployment.

my is on the verge of collapse."

and August alone. He did so, Mr.

Gaidar's aides say, without con-

sulting the executive branch, and

one result will be an inflation rate

close to 30 percent this month.

They see the possibility of hyperin-

See RUSSIA, Page 15

enterprises so it can keep infla-

# **High-Rise Prices** Teeter on the Edge

International Herald Tribune

After 18 months of gravitydefying leaps, Hong Kong's residential property market appears to be headed for a correction. Since January 1991, prices have rocketed an average of 80 percent, driven largely by speculators. But analysts are now saying that prices are so high that few people can afford to buy, sending many investors across the border into China's embryonic - and exceedingly risky -- property market.

According to government fig-ures, the number of sales and purchase agreements of apart-ments declined nearly 10 percent in the first half of the year compared with a year earlier, in August, they were down 30 percent from August 1991.

Analysts predict the trend will continue as the colony's inflation rate declines and interest rates rise, as expected, after the U.S. presidential election. Previously, high inflation and onto the property market in order to prevent their savings from losing value. Some property stocks have

already started to feel the pain and the banking sector may fol-low. Laura Grenning, a bank analyst at Smith New Court, predicts mortgage growth will fall to single digits from a high of 41 percent in the last quarter of 1991, cutting heavily into the strong earnings registered by lo-cal banks last year.

'The momentum has peaked," she said. "We are going into a steady phase at a much lower rate of growth."

Lawyers Win Again It is no secret that Hong

Kong business executives are irked by the United States' campaign to exact trade concessions from Beijing. But there is one local sector that has seen tangible benefits from the policy: lawyers and lobbyists.

This week, 101 representatives of businesses and trade organizations with interests in China will testify before an interagency committee in Washington in an attempt to get their product exempted from a \$3.9 billion "hit list." Washington has threatened to raise tariffs on the Chinese-made items if Beijing does not agree to climinate a variety of trade barriers

by Oct. 10. Those who testify have been

advised to try to convince the committee, which is chaired by the U.S. trade representative, Carla A. Hills, that including their product on the list will hurt U.S. consumers, or that a high portion of its content is U.S.-produced.

"This has created a big concern and demand for professional assistance," said Simon Luk, an attorney with the firm of Pettit & Martin. "Hong Kong businesses and trade associations have been alerted to this process and have learned to do things the American way."

#### **Business Battlefield**

In the 1987 film "Wall Street," a corporate raider turned to the ancient Chinese treatise "The Art of War" by Sun Tzu for inspiration. Now Hong Kong business executives are learning from a contemporary American military strategist: G.L. Joe.

Since April, Fred Yan, a former U.S. Marine Corps captain and infantry instructor, has been helping local managers hone their skills through war games training at a compound in the colony's New Territories. Using classic U.S. infantry

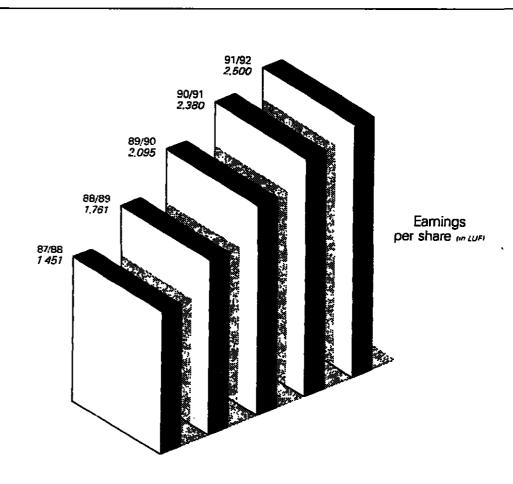
organization, participants are divided into four-man "fire teams" armed with guns that shoot colored pellets. Three teams and a leader constitute a

Mr. Yau then designs a sce-nario. "It can be a close-combat situation or a search-and-destroy mission," he said. Through the mock battle, participants are said to improve their skills in such areas as leadership, communication, teamwork, decision making, time management and "basic sales

The greatest thing about this is that within a very short span of time you have to deal with all these elements," Mr. Yau said. And the lessons, he adds, are not easily forgotten. "If you get shot, it is a very sobering experience. It may not be for real, but it leaves an everlasting impression."

So far 15 companies have signed up, including Hutchison Whampoa, Hong Kong and Shanghai Bank and the mainland's Bank of China

Laurence Zuckerman



# **Sustained Growth**

Total balance sheet	474,222	13,989	4%
Customer deposits	291,226	8,591	3%
Capital, reserves and subordinated loar	ns* 16.106	475	7%
Net profit	2,052	61	7%
Earnings per share	2,500 <i>uF</i>	74 USD	5%

Kredietbank Luxemboura

Kredietbank S.A. Luvembourgeoise 43, Boulevard Royal L-2955 Luxembourg Tel: 47 97 1 - Telex. 3418 KBLUX LU - Telefax 47 26 67

The Almanij-Kredietbank Group is present in Luxembourg through KBL and Kredietrust. specialized in various trust and administration services

# South Korea Buys 2 Canadian Reactors

By Matthew L. Wald New York Times Service

NEW YORK - South Korea is to buy two Canadian nuclear reactors, and it may use the waste from American models aiready operating in the country as fuel.

Atomic Energy of Canada Ltd. announced a deal to sell two reactors to Korea Electric Power Corp. for a total of about \$790 million. The South Korean company had previously bought two Canadian reactors, one completed in 1983 and the other still under construction.

The design of the Canadian reactors is fundamentally different from that of American modcls. The Canadian reactors run on natural uranium, in which just 0.7 percent of the fuel is

In contrast, American reactors run on en-riched uranium, which is 2 or 3 percent uranium

When the fuel in an American-designed reactor is used up. it still has more uranium 235

than is present in natural ore, South Korea also operates six reactors manu-factured by U.S.-based Westinghouse Electric Corp., as well as several made by Framatome SA, a French company whose design is similar. Running a Canadian-designed reactor on used American fuel would be difficult because

the two fuels differ in shape and the used fuel is highly radioactive, making it difficult to work with. But Denny Shiflett, vice president of

uranium 235, the kind of uranium that a reactor can split to make heat.

AECL Technologies, a subsidiary of the Canadian company, said the potential for re-using the spent fuel was of major interest to the South said he was "not convinced that a slender 'yes'

> Re-using the fuel will not solve the wastedisposal problem, however, because putting the fuel through a second reactor will simply make it more radioactive and more difficult to work said. Noting that France needs lower interest rates to spur growth and attack unemployment, Mr. Magnus said that "a yes vote does not make

The new reactors are designated Wolsong 3

reactors under construction than any other supplier. In addition to the three in South Korea, Romania is building five, although the work

#### Atomic Energy of Canada says it has more

Christopher Potts at Banque Indosuez expect the franc to hold up to any challenge from the market. "The vote buys time to keep appearances up and try to caim the market down," Mr. Analysts who see the franc withstanding any

> ditions in France are much better than those prevailing in Britain and Italy. Both France and Britain were overwhelmed by selling last week and forced to temporarily drop out of the fixed exchange rate mechanism and allow their cur-

test stress that the fundamental economic con-

(Continued from page 1)

vote will change the market's conviction that

But French bankers like Mr. Hubbard and

everything in the garden rosy.

Hung Tran, Frankfurt-based analyst at

Deutsche Bank, noted that the "market has got to appreciate the fundamentals are much better French bond market as interest rates would — inflation is lower than in Germany, wage then be expected to move closer to those pre-increases are low, unit labor costs are under vailing in Germany.

FRANC: Markets Are Expected to Test the Currency's Link to the Mark

there's a need to realign exchange rates." increases are low, unit labor costs are under "It will not stop the momentum behind the control and exports have increased. Except for foreign exchange market that the actual Mass-tricht blueptint will not be implemented," he economic indicators are quite good and should economic indicators are quite good and should be taken into account by speculators."

These analysis expect speculators will have little stomach for taking on the Bank of France renewed attack, Sterling was quoted Sunday night at 2.5735

mained well outside its last official floor of 820.68 DM. What happens on European stock and bond markets Monday, analysts agreed, largely de-

pends on how severe the pressure is on the French franc and whether, to preserve its parity, the Bundesbank cuts its interest rates. That would create a big rally in all European

markets, analysts said.

■ A Break for Speculators

Ireland has decided to case exchange controls to let speculators in a bind borrow punts. A Finance Ministry spokesman said Sunday: "The Central Bank is giving permission under when the pound, the line and the peseta appear the exchange control act to allow nonresidents to be much easier targets less likely to resist to borrow from Irish banks to meet their obligations in order to prevent disruption of the banking market."

During the currency chaos last week, foreign DM, down sharply from Friday's close of During the currency chaos last week, foreign 2.6107 DM and the lira, at 835.45 DM, re-investors sold punts, driving the currency down

to its intervention floor price. But they ran into trouble when they tried to get punts to meet their contracts to sell, market sources said. Under the foreign exchange control rules, overseas investors were forbidden tobuy punts for speculative purposes in Dublin Scrambling for punts in London and Jersey, they had to deal in the Euro-Punt market where demand rocketed and they were hit with exorbi-A convincing defense of the franc without a tant overnight interest rates.

#### EMS: European Ministers Reaffirm Their Commitment to Battered System (Continued from first finance page) somewhat lower. It will help them growth and greater currency stabil- rates from the Bundesbank would

of 10, which adds Belgium, Switzer-land, Sweden and the Netherlands. Some analysts suggested that the G-7 leaders might advocate a revised exchange-rate mechanism in Europe that would include only five nations. Germany, France. Belgium, Luxembourg and the Netherlands, the Times said. Countries with higher inflation, including Italy and Spain, would be re-leased from the ERM grid to permit them to raise interest rates and avoid greater disparity with the

here is toward a better sense of reality." Abby Cohen, investment investment banking house, said in a an international leader. televised interview. "Weak econo- Meeting Saturday the mies should have lower interest isters vowed in a joint communique rates in Germany, but the commu-rates and their currencies should be to cooperate to achieve "sustained nique"s wording implied that lower

in the trade war."

nate 11 European currencies, calls tions that might be taken. for trading ranges to maintain a relative balance of economic activitary, Nicholas F. Brady, acknowl-

unusual step of inviting IMF offi- union was known. cials, bankers and representatives of the G-7 nations to the White House on Sunday evening.

re-election campaign, was expected to defend the franc. to issue a statement stressing the I think the ultimate situation need for global economic growth as that interest-rate reductions had one means to calm currency instability in Europe and thus, display strategist with the Goldman, Sachs for a domestic audience his role as

Meeting Saturday, the G-7 min-

ity." But the three-paragraph state- be helpful, The ERM, designed to coordi-ment did not offer any specific ac-

Later, the U.S. Treasury secrety among European Community edged that any action plan could not be announced until the out-Meanwhile, Mr. Bush took the come of France's vote on European

Before the outcome of the

French vote was known, Finance Minister Michel Sapin of France Mr. Bush, in the midst of a brutal indicated that Paris was prepared The G-7 communique did note

been achieved "in a number of countries" on the path toward global economic recovery since the G-7 summit in Munich last spring. No mention was made of the rising

The statement noted in a positive

vein the Japanese government's economic stimulus package announced last month. By implication, at least, a parallel stimulus package by Washington would have been welcomed had it been put into effect, but Mr. Bush has npaigned repeatedly against the kind of direct government intervention in the economy that Japanese leaders have promised.

Earlier Saturday, German offi-cials made it clear that they would not be pressured into further interest rate cuts despite pressure on Friday exerted by U.S. and British

Mr. Waigel said at a news con ference that neither the Bundes bank not the finance ministry would be in a position to promise a

iale inquirles before ending any money or en-ering into any binding

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cut. He said he the currency in shifting his an month in a way selling of the well tenerge. are really driving is the speculation chase the fread. In fact, it approvery credibility Monetary System so much my on ultimately licities panis and the

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#### CAPITAL: End of Exchange Controls Led to Disaster

(Continued from first finance page) up defending fixed rates and were obliged to let their currencies float.

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By then, money managers and corporate treasurers had convinced themselves that the Deutsche mark and its closely tied satellites - the guilder and the Swiss and Belgian francs — were inevitably headed for a revaluation against all other European currencies.

Richard Portes, director of the Center for Economic Policy Research in London, concurs on the need for controls. "Either you have a much more flexible exchange rate nechanism with frequent, small realignments or you move much faster to monetary union.

"The middle ground was continzent on capital controls and strong convergence of economic and monctary policies," he said.

For Mr. Wyplosz, governments had been fulled into misreading the potential for upset because the prospect of monetary union by no than 1999 had anchored exectations of the market" that conrergence of the key economic variables could be achieved.

That anchor was set adrift by worries about whether the commitament to monetary union could be tratified, highlighted by Sunday's referendum in France. As doubts increased "market operators protected themselves by getting out of

currencies likely to devalue," Mr. Vyplosz observed.

Governments thought it would be enough to make pronouncements claiming 'we are tough and we're going to be tougher.' But they weren't tough enough," he noted, adding that "neither Britain nor Italy were prepared to raise rates high enough, to 500 percent like the Swedes if necessary, to stop the speculation At the EC headquarters in Brus-

sels, an official dismissed the debate on capital controls, saying that fit's always easy to look bank in hindsight and say maybe we shouldn't have done that. But in my view it's not matter of controls but rather a mestion of confidence in economic convergence.
"Controls aren't a solution to the

real problem. Better to make the changes that are necessary," the official said, referring to exchange-rate adjustments, "than to delay what needs to be done through con-

But a monetary analyst outside the Community agrees that "clearly there is a link between the degree of freedom in the foreign-exchange market and the size of those trans-

actions. "Even without the lifting of controls we could have had quite sizable trouble. But the amounts would have been smaller." And that, Mr. Portes asserts,

would have permitted "a more orderly realignment." Citing past experience — the 11 realignme tween 1979, when the EMS was created, and 1987 — Mr. Portes noted that "typically new bands overlapped with the old ones. meaning that speculators did not make a killing.

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In other words, a currency under attack at its floor rate would be devalued and immediately trade at its new ceiling, which nearly matched the old floor. Only three of the realignments between 1979 and 1987 were larger than the maximum permitted fluctuations, which meant the new ceiling was lower than the previous floor level. The large effective devaluations this month have provided enor-mous profits for those who bet on

For the monetary analyst, who agrees that "if you want complete freedom of capital flows then you must have convergence of economic policies," the lesson of last week

is not to return to controls. bottle you can't put it back," he

Referring to Italy, he said "it's clear that economic policy convergence was not taken seriously enough. Britain has started in the right direction, but it started late recognized by the market."

### **LETDOWN:** Why Managers Dumped Currencies

(Continued from first finance page) cut. He said he had contributed to the currency turnoil himself by shifting his strategy earlier this month in a way that forced the selling of the weaker European cur-

"It is portfolios like these that are really driving the market, and it s the speculators that come in and hase the trend," he added. In fact, it appears that it was the

very credibility of the European Monetary System, which attracted to much investment money, that iltimately helped bring the system lown so quickly, market participants said. The system provided a afety net that allowed money managers to take risks that they would not ordinarily consider.

It was taking such risks that alowed mutual funds investing in igh-yield short-term investments round the world to pay attractive murns. Such funds are run by big rms like Merrill Lynch in the greed States and Lombard Odier Europe Corporate treasurers so used the security of the monesystem to reduce their costs. funds protecting themselves tainst money-losing currency vings — a practice known as edging — also depended on the

uropean Monetary System. "They would never have camed of taking these risks," said

Corp. "Why did they? They had the safety net of the European Mone-tary System under them. Now that has been blown out of the water. Indeed, the breakdown has

changed all these equations. "It was the strength of the system that had sucked in so much money," said David Smart of Fiduciary Trust in London. "And now it had brought about the potential demise

At the heart of this currency crisis, is a practice of currency risk management called proxy hedging. Hedging is the attempt to lessen

nate the risk that a currency movement will go against you. For example, a rise in the dollar cuts the gain from foreign bonds when the foreign currency carnings are translated back into dollars. To protect those gains, an investor who put \$50 million in British bonds might try to offset the risk of a falling pound by selling an equivalent amount of pounds for dollars when the investment was made.

But because of the stability of the European Monetary System, a trader did not have to hedge in the same currency as the investment, but could use a stronger currency. like the mark; that is the practice of proxy hedging. The attraction was that short-term interest rates in Germany were lower than in Italy or Britain, which made the cost of

hedging in marks cheaper than pounds. Theoretically there was lit-tle risk, because the monetary system made the mark and other curranges of each other, and that limited the potential losses.

Arthur Zeikel, the president of Merrill Lynch Asset Management, said this opportunity made the global income funds possible. In discussing the rupture of the system this week — and the losses for his fund and others - he sounded like a man whose faith had been betrayed. Without the insurance of the monetary system, his costs of operating will rise sharply.

"By doing cross-hedging and capturing the disparity in interest volatility and higher return."

Corporate treasurers and other fund managers who had also used such techniques were forced to unwind their positions last week, adding to the downward pressi Europe's weak currencies.

Mr. Rossmiller of Travelers and folio Management Ltd. in London, both made such shifts recently. Mr.

## Treasuries: Port in a Storm?

#### Experts Expect Bonds to Be Spared European Reaction

Compiled by Our Staff From Dispatches NEW YORK - The U.S. Treasury bond market will have all eves on Europe this week, but analysts say it may be spared some of the more stormy reactions to the

#### U.S. CREDIT MARKETS

French vote on Maastricht and the weekend Group of Seven meeting. "Day by day we'll see how things unfold," said Doug Schindewolf, analyst at Smith Barney, Harris

During the week, the market has to tangle with a bost of unknowns -the fate of the European Monetary System, a new anction process for 2and 5-year notes, and the possibility of a chain of international interestrate moves, if the Bundesbank can be persuaded to cut.

On Wednesday, the Federal Re-serve will release its Tan Book report on current economic conditions. The report should form a basis for discussions and decisions on whether the Fed should push interest rates lower to stimulate the economy when the policy-making Federal Open Market Committee meets Oct. 6.

As for economic data, August ing starts and durable-goods orders offer the prospect of mild improvement but analysts say the market will wait for the September employment report the following week before making a decisive igment on whether the Federal Reserve needs to ease again or not.

When the market opens on Monday, it will have to cope with the aftermath not only of the French vote but of the Group of Seven meeting of finance ministers in

Some U.S. government bonds "may benefit from a flight out of European volatility and into shortterm U.S. instruments and the dollar as a temporary parking place,"

Mr. Schindewolf said.

The 30-year bond, he said, which has backed up in anxiety over the European situation, should benefit once the big questions are resolved, he added, with the front end losing

ground later. Ram Bhagavatula, chief financial economist at Citicorp Global Finance, said reaction to the French vote would be minimal, though the yield curve, near historically steep levels, could flatten with yields on shorter U.S. securities rising.

This, he said, was due to improving ecónomic fundamentals - including money supply — making a Fed easing less likely. "Even M-2 is showing signs of life," he said. He saw little prospect of the long

bond improving greatly.
"As a first go-round we're not expecting to see a lot of capital flight into the U.S. on a 'Yes' or 'No' French vote," said Michael Casey, international economist at Maria Ramirez Capital Consul-

An experimental system for selling \$25 in billion 2- and 5-year notes on Tuesday and Wednesday could dampen enthusiasm for the securities until dealers get the hang of the new mechanism, analysts

U.S. Treasury securities eased last week as investors sought a respite from the chaos in Europe and curtailed their participation in

The market's beliwether security the 30-year Treasury, lost 12/32 of a point over the week, ending at 99

2/32. The issue's yield, which moves in the opposite direction of its price, inched up to 7.32 percent from 7.29 percent the previous

aged to post small gains in prices as their yields eased slightly. Analysts said investors liquidated longer-term bonds ahead of the

"Meteorologists caution never to venture outside in the eye of a hur-ricane," said Carl B. Weinberg, chief economist for High Frequency Economics. "Risk-averse investors - even many who are not so risk-averse - did not want to wander too far from home until after Sunday's vote."

The 10-year Treasury note ended Friday at 99 25/32 for a yield of 6.40 percent. The previous week, the 10-year paper ended at 100 2/32 for a yield of 6.36 percent. The 5-year note ended at 101

1/32 to yield 5.38 percent, compared with IOI 9/32 the previous The 3-year note ended at 100 24/32 to yield 4.33 percent, com-pared with 100 22/32 the prior

The 2-year Treasury note ended at 100 26/32 to yield 3.79 percent, compared with 100 23/32 a week

The 6-month Treasury bills were discounted at a rate of 2.90 percent to yield 2.97 percent against a rate of 2.95 percent the week before, while 3-month T-bills ended at a rate of 2.88. (Reuters, UPI)

#### **BUSINESS BRIEFS**

#### Taiwan Broker Detained for Defaults

TAIPEI (Renters) - Agents of Taiwan's Bureau of Investigation detained Lei Po-lung, a major stock market player, on Sunday for alleged involvement in a string of stock payment defaults that sent the market plunging last week, local media said.

Press reports said the defaults stemmed from efforts by the Hualon textile group to force authorities to allow its chairman, Oung Ta-ming, to be bailed out. He was arrested earlier this month for failing to annear in Mr. Lei told newspapers that he himself was responsible for the

defaults, which occurred because the Hualon group asked him to buy stocks but then declined to provide the money for them.

#### Suzuki to Run Pakistan Auto Firm

ISLAMABAD (Reuters) - Suzuki Motor Corp. of Japan has taken control of Pakistan's only car plant, saying it would improve efficiency and export cars to the newly independent Central Asian republics. The company assumed management on Saturday of Pak Suzuki Motor Co., a nine-year-old venture with state-run Pakistan Automobile Corp., by increasing its equity to 40 percent from 25 percent, said Suzuki's president, Osamu Suzuki.

#### China May Drop U.S. Auto Accord

BEIJING (UPI) -- China has escalated its threats to retaliate against the proposed U.S. jet fighter sale to Taiwan, hinting that a deal to import American-made cars could be canceled if Washington went ahead with the sale, an official newspaper said Sunday.

The \$130 million deal with General Motors Corp., Ford Motor Co. and Chrysler Corp., heralded at the time as a boost to the sagging fortunes of the U.S. car industry, is now on hold, perhaps permanently, the English-language China Daily said.

#### Hartmarx Sheds Retail Operations

NEW YORK (NYT) -- Hartmarx Corp. has announced the sale of its battered retail operations, ridding itself of a business that was dragging down its healthy manufacturing operations.

Hartmarx Specialty Stores Inc., which operated 185 specialty stores, was sold for a \$43 million note to HSSA Group Ltd., a company affiliated with Maurice L. Rothschild & Co., a Chicago investment firm.

#### No Producer Plans for Coffee Cartel

LONDON (AP) — Brazil says there are no contingency plans for producers to act unilaterally to boost the depressed coffee market if negotiations opening Monday with importing nations on a new interna-

# SEC Chief Pushes Stockholder Rights Plan

By David S. Hilzenrath

Washington Post Service
WASHINGTON — A watershed decision is drawing near at the Securities and Exchange Commission over proposals that could go further than any regulatory steps in recent memory to bolster the influence of shareholders in America's corporate boardrooms.

The SEC is expected to vote next month on two sets of major reforms. One would eliminate much of the red tape that makes it difficult for investors to exchange criticisms of corporate management or otherwise communicate with each other. The other would require company boards to issue clearer public explanations of the pay they give their top executives.

Advocates say the reforms would make the people who run corporations more accountable to the people who own them, from small investors to large pension funds. resent business executives and

Yeltsin Seeks Deal

(Continued from first finance page)

flation, or a 50 percent monthly

Mr. Gerashchenko's policies

have also led Mr. Gaidar to ac-

knowledge publicly that the Rus-

sian government cannot meet the

financial targets that it negotiated

earlier this year with the Interna-

tional Monetary Fund. Russia had

originally agreed to aim for a do-mestically financed budget deficit

of 5 percent of gross national prod-uct and a monthly inflation rate in

single digits by the end of the year. Senior Western diplomats here

say that IMF officials are "ex-

tremely nervous" about the current

direction of the Russian economy.

A senior adviser to Mr. Gaidar Sergei A. Vasilyev, went so far as to accuse Mr. Gerashchenko and his

allies of "working to discredit the

government and the entire course

But the arguments advanced by

Mr. Gerashchenko and powerful in

dustrial lobbyists like Arkadi I.

Volsky are also about the need for a

stronger state hand in the managing

of economic change and a slower

stance for a people accuston

of the reforms."

rate, in October or November.

**RUSSIA:** 

board members, say they would intrude upon management.

Regardless of their point of view. financial observers agree that the reforms could become one of Richard C. Breeden's most significant legacies as SEC chairman.

In addition, many say the package also could be his last major accomplishment at the agency. Mr. Breeden's term expires in June, and he has not appeared interested in seeking reappointment, said sources within the SEC. Moreover. sources close to the agency said that Mr. Breeden has given the impression that he is preparing to step down as early as this year, possibly to move to the private sector.

In his three years at the SEC, Mr. Breeden — an aide to George Bush when he was vice president - has butted heads with powerful interests, such as the Treasury Department leadership and the Commodity Futures Trading Commission.

lost some of his biggest battles and emerged with the animosity of through," although "there may be some fine-tuning on some" of the proposals, said Louis M. Thompsome influential adversaries. This week, Mr. Breeden suffered son Jr., president of the National Investor Relations Institute, which

a defeat when the House rejected a bill that would have given the SEC expanded powers to police trading in government securities. In the tug of war over the pro-

posed corporate governance reforms, Mr. Breeden needs only to persuade his three fellow SEC commissioners. The SEC has the power to make those changes without ap-proval from the White House or Congress. Mr. Breeden has been ing to get the measures adooted quickly, and observers said the pay levels rather than clarify them. SEC seems determined to pass a strong version of the proposals.

Even opponents have "conceded the fact that this is going to happen, and so now they're trying to make adjustments around the margin," said Ralph V. Whitworth, president of the United Shareholders Critics, including groups that rep- He has developed a reputation as Association. "The basic concept of an activist chairman, but he has what they're proposing will go

whether a barrage of criticism from representatives of corporate management will move the SEC to rewrite or abandon elements of the plan dealing with executive compensation, participants in the debate said. Richard Y. Roberts, an SEC commissioner, said he agrees with the criticism that the SEC's plan

would perpetuate confusion over

represents corporate management.

One big question, however, is

A pair of powerful forces have converged at the SEC, helping to propel the related initiatives to the top of Mr. Breeden's agenda. Large institutional investors, such as pension funds, which own a major chunk of corporate America, have been agitating to translate their ownership into a louder voice within the companies whose stock they hold. Meanwhile, public controver sy has swelled around the seemingly generous sums many corpora tions have been paying their chief

#### Euromarts At a Glance

U.S. S. 2 yrs & over U.S. S. 1 yrs & reer
U.S. S. less than 5 yrs
U.S. S. less than 5 yrs
Poweds sterling, less than 5 yrs
Ital, Rre, less than 5 yrs
Danish tranc, less than 5 yrs
Danish tranc, less than 5 yrs
ECU, 8 yrs & over
ECU, 5 yrs & over ECU, 5 to 7 yrs Can. & less than 5 yrs

Weekly Sales Primary Market 202.00 52.00 492.70 706.00 542.60 1,603.90 9,246.50 3,397.80 6,340.50 2,027,40 10,076.20 5,316.80 9.844.99 34.808.90 14.799.49 34.950.19 177.30 380.00 811.90 817.90 2.751.60 3.717.30 5.772.20 2.603.70

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French frenc	1016	107/16	18 7/16
ECU	12	10%	101/2
Yes	47/16	41/14	3 15/14

## executives, especially in cases where profits have been shrinking and rank-and-file workers have

Compiled by Our Staff From Dispatches BELIING - China's new finance minister, Liu Zhongli, has made a bold call for a broad disengagement of the state from the na-

Lin said in an interview Saturday with China's official news agency, adding that "the state coffer is no lifeboat for them."

He also said a general price re-form was urgently needed. Mr. Liu, 57, was deputy finance minister in 1988-89. He was appointed to the top post Sept. 4 to replace Wang Bingqian, who held the job for 11 years. The shift was

of the important party congress. Mr. Wang was held partly re-

transition toward a limited market. Politically, that is a popular strong leadership and confused by the rapid economic changes in their lives. It is also a stance that is popular among politicians and bu-reancrats, well represented in the Congress, who fear the loss of ties

tures of the old regime. They also fear the impact of privatization. On Oct. 1, the government will distribute vouchers worth 10,000 rubles, or \$50, to each Russian citizen as his share of stateowned property to invest or sell. No one knows whether the program will be a success, but it will help establish a new political context.

to the institutions and power struc-

If it is successful, Mr. Yeltsin can tell Russians, "You're the owners now, and congress stands in the way." If it is a failure, it may strengthen the opposition.

So the issues at stake are signifirates, you create a fund with less cant, even fundamental. But the legislative session, which opens on Tuesday with the smaller Supreme Soviet and may run for two months, including the first session since April of the larger Congress of People's Deputies, may not pro-vide the requisite resolution.

Already, Mr. Yeltsin and the speaker of the Russian parliament, Thomas J. Berger, a director of Ruslan I. Khasbulatov, have made Lombard Odier International Port- a public show of their desire for compromise. Mr. Khasbulatov, who was elected from the region of Berger, who manages the \$1 billion Chechen, does not want new elec-Blanchard Short-Term Global In- tions, and Mr. Yeltsin recently come Fund, got out of his proxy promised legislators they could hedges in early September, as the serve for the rest of their five-year terms, through March 1995.

# **China Finance Minister Backs Market Solutions**

tional economy, Xinhua reported.

"Enterprises should be left to sink or swim in the market," Mr.

made without explanation, but came amid attempts to speed the pace of reform a few weeks ahead

sponsible for the size of China's 1991 budget deficit, which, at 20.7 billion yuan (\$3 billion), was 7 billion yuan more than planned. Re-formers accused him of bowing too much to conservatives' demands.

"How can we keep a balanced budget if we have to devote almost 90 billion yuan a year to subsi-dies?" Mr. Liu asked.

operate at staggering losses, while public administrations are accused

Mr. Liu said that if China kept registering a large deficit it "will face growing inflationary pressure, which in turn will derail the development of the national economy." The new minister said, however, that the government could go on borrowing as long as the money

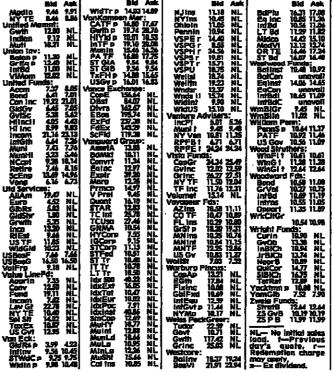
was used effectively.
China's foreign debt was \$60.6 billion at the end of last year, and its internal debt amounted to 130 billion yuan, while savings totaled more than I trillion yuan. Mr. Lin blamed China's finan-

cial troubles on its "irrational" system of allocating funds. He called for reduced state subsidies, acknowledging that the gov-ernment had tried to reduce grain subsidies and free their prices as

quickly as possible. However, he said general reform of prices was urgently needed. Double-digit inflation, triggered

by too-rapid growth in the late 1980s, led the government to launch an austerity program in September 1988. That retrenchment only ended last year.
(AFP, Renters)

#### **MUTUAL FUNDS**



## Last Week's Markets

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O Old Debt Threatens Eastern Europe's Recovery

O 'Greater China' Is Becoming A Force

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# For an up-to-the-minute view of the European bond markets, all you need is J.P. Morgan's 10-year benchmark screen.

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HOLLAND	8,25	15-06-02	DSL	99.95-05	8.23	+181	+45
ECU	8,50	15-03-02	OAT	93.96-06	9.46	+304	+168
UK	9.75	27-08-02	GILT	102.64-74	9.54	+312	+176
SPAIN	10.30	15-06-02	BONO	86.55-70	12.63	+621	+485
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# Modern Facilities And Ancient Charm

Lyon is "in." The beautiful capital of the Rhône-Alpes region, surrounded by hills, lakes and wild game, is enjoying the effects of a boom and is working hard to make it last.

Nothing will stop Lyon's mayor, the 48-year-old Michel Noir, from working to transform his old and formerly stodgy city into the self-proclaimed "Euro-city" of the 21st century.

Better known for its contributions to the silk

## Paris is two hours away by TGV

manufacturing, printing and banking industries, Lyon is also the birthplace of world-renowned companies such as Rhône-Poulenc, Péchiney and BSN. Boasting the second-largest pool of highly qualified workers in France after Paris, it is a hub of avant-garde activity in the fields of chemistry and para-chemistry, electrical engineering and electronics, textiles and clothing, optics, mechanical engineering, rubber and plastics

"Today, as the single market moves progressively toward implementation. Lyon's assets are becoming increasingly impor-tant, says Robert Maury, director of Lyon's regional development association. Aderly. "By virtue of its geographic position and the quality of its transportation, telecommunications and service facilities, the city is particularly well situated to provide maximal access to the French, Italian, Spanish and Swiss markets in particular."

markets in particular."

Located at the confluence of the Rhône and Saône rivers, between

Northern and Southern Europe, Lyon considers itself a "crossroads" and is busy expanding its already impressive transportation network to establish itself as a vital link between the two halves of the continent.

The Satolas Interna-

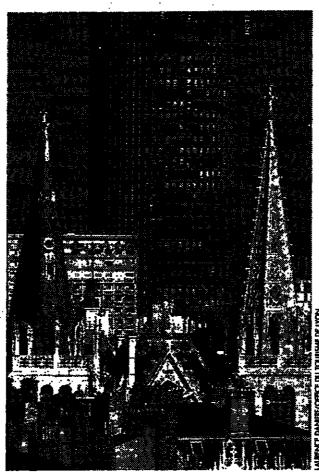
The Satolas International Airport, less than 30 minutes from downtown Lyon, handles 3.7 million passengers annually on 52 international and 37 domestic flights offered daily by 21 foreign and national airlines.

Six hundred thousand tons of goods transit the Lyon region daily. Lyon and the Rhône-Alpes region's highly concentrated road network provides direct access to Paris, Marseille and Toulon, as well as Barcelona, Turin, Milan, Geneva, Basel and Brussels. And large-scale navigation is possible on the Rhône river between Lyon and Marseille, providing access to the Mediterranean.

"The TGV [Train à Grande Vitesse, France's high-speed train) is a tremendous asset," says Paul Raffaitin, administrative director of Schering-Plough's research laboratory in Lyon. Served by two stations in the heart of Lyon (Part-Dieu, in the new business district, and Perrache), the TGV travels between Lyon and Paris in only two hours. Future extensions will bring Brussels, Frankfurt and Barcelona within a three-and-ahalf hour range, and an uninterrupted, high-speed route of 80 kilometers (500

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Romy Joyce, a free-lance journalist based in Paris.

# DESTINATION EUROPE



The Lyon mixture: steeples and skyscrapers.

miles) will constitute the north-south backbone of Europe's railway network on completion of the Channel Tunnel.

All this may explain why an increasing number of French and international companies are opting for the gentler climate, greener surroundings and attractive working conditions offered by the city.

Back in 1964, the International Agency for Research on Cancer set up residence in a 14-story building on the edge of the hospital district. Since then, Interpol (International Criminal Police Organization) has relocated

its world headquarters

from Paris to Lyon, where

Hewlett-Packard, Scher-

ing-Plough, Caterpillar,

Unilever and others have also established industrial and administrative sites.

Europe's own cabletelevision news channel, Euronews (which will start broadcasting in five languages on January 1, 1993), chose Lyon from among 15 European cities (including Strasbourg, Barcelona, Prague, Berlin, Bologna and the ill-fated Sarajevo) on the basis of studies by consultants Arthur Andersen and a twoballot vote.

"The City of Lyon has proved a very responsible partner," says Euronews Director Pierre Brunel-Lantenac, who explains that, his channel received an array of incentives, including a free 99-year land and building lease, a 15 million franc (\$31 million) equipment subsidy and exoneration from professional taxes.

"The mayor, Mr. Noir, is an unconditional ally because he understands the political importance of the Euronews project," says Mr. Brunel-Lantenac.

says Mr. Brunel-Lantenac.

The Lyon region is the most important industrial center in France after the capital, contributing 15 percent to 20 percent of national production in various sectors of activity and 12 percent of industrial employment. Its 60 banks (of which 24 are foreign), thriving stock exchange, international lawyers, patent attorneys, certified public accountants and city officials portray the city as a hub of trade, industry and research.

Long-term ground leases at reduced rates, tax credits, lower import duties on selected items, lowinterest-rate financing and cash allowances for job creation, business and science parks and the modern Eurexpo conference center are magnets for large and small companies. And 60,000 square meters of new office space, 800,000 square meters of warehousing and 850 acres of building land at prices much lower than those charged in Paris provide added incentives.

"With real-estate costs at one-third to one-quarter those of Paris and a lower cost of living as well, Lyon is an attractive location for both national and international firms," notes a study by the U.S.-based Industrial Development Research Foundation.

In addition, top-rate educational facilities (three universities, 14 graduate schools, hundreds of schools and a new Cité Scolaire Internationale opening this autumn), a vibrant cultural life, close proximity to six national parks and everyday access to the best cuisine in France should keep the Euro-city on the road to success.

"Everything is much easier here," says Mr. Raffaitin of Schering-Plough. Referring perhaps to the city's new parking spaces, he adds, "In Paris, it takes a whole morning to see one person. In Lyon, you can see twice as many people in the same amount of time."



Transport links: Lyon's Part-Dieu train station provides swift connections to the rest of Europe.

#### Coming to Lyon?

The city that is world-renowned for its gastronomic delights also excels in the art of business travel. Following are a few facts and figures that explain why.

Number of tourists a year: 7.5 million (of which 1.5 million are visitors to congresses, conventions or sa-

Number of business visitors a year: 4 million. Number of hotels in Lyon: Four-star: 8, with 1,002 rooms

Three-star: 22, with 1,690 rooms
Two-star: 52, with 2,581 rooms
One-star: 28, with 616 rooms
Leading venues for international events:
Palais de Congrès, tel: 78 93 14 14, fax: 78 89 01 71

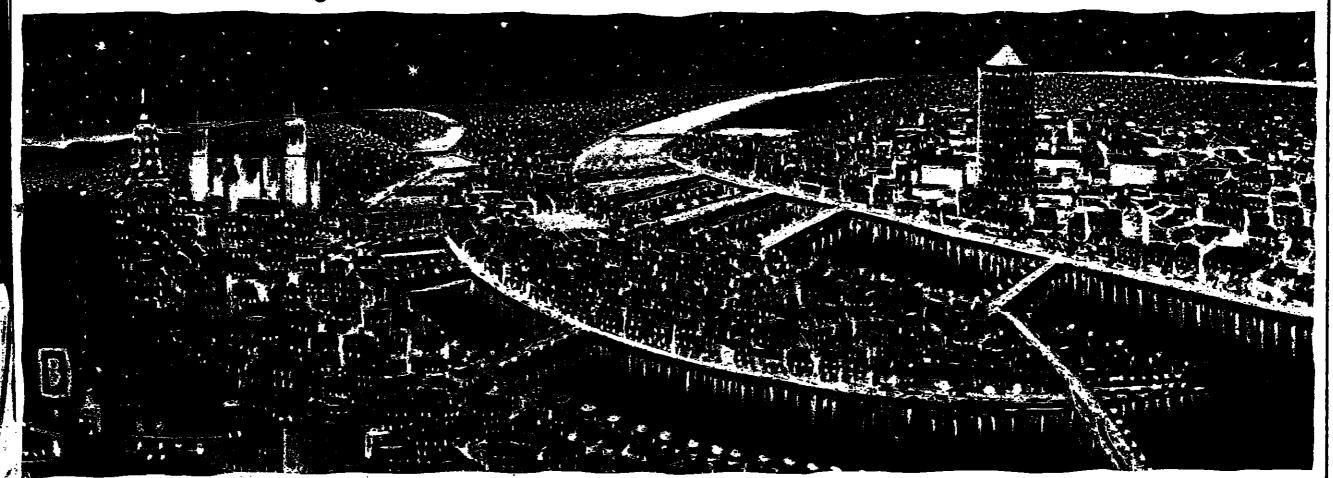
Halle Tony Garnier, tel: 78 72 86 21, fax: 78 72 37 07 Espace Double Mixte, tel: 72 44 60 00, fax: 72 44 60 90 Espace Tête d'Or, tel: 78 94 69 00, fax: 72 44 06 23 Espace Albert Camus, tel: 72 37 13 91 Eurexpo, tel: 72 22 33 44, fax: 72 22 32 70 Le Radiant, tel: 78 23 84 02, fax: 78 08 40 47 About 85 major events have been booked for these and

About 85 major events have been booked for these and other Lyon venues in the next year, including wine fairs, postage stamp exhibitions, film festivals, automobile shows, a biennale of contemporary art, a festival of sacred music, a festival of theater, conferences on education and technology and golf, tennis, moto-cross and other sporting championships.

Restaurants:

One of the Michelin three-star restaurants is in the region: Paul Bocuse, at Pont de Collonges, tel: 78 22 01 40, fax: 72 27 85 87. In addition, the Michelin Guide lists 11 other starred restaurants in Lyon.

Lyon invented the Movies. No other city will ever do as much to set the world dreaming.



In 1895 the Lumière Brothers invented the movies in Lyon, France - and the city has been quietly making history ever since. The centenary of film-making is going to be quite an event!

Today, other major events are centered on Lyon involving national and international stars\* from the fields of economics, business and research.

To all who trust the city, Lyon is a true friend, providing a base reputed throughout the world for its fundamental values - vital success factors such as balance, professionalism, autonomy and image. Uniquely privileged, with a top record for excellence and successful growth, Lyon is currently a candidate as the site for the Central European Bank. Euronews (the European News Channel) and Interpol have already chosen Lyon as the most viable site in Europe. The city is happy to welcome all Institutions whose future lies in European growth too.

I Y O N O E

Big things take place in Lyon

\*To find out more about what goes on in Lyon, contact ADERLY
Economic Development Agency for the Lyon Region

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# Firms Empower Their Environment Men world stocks in review

By John Holusha

New York Times Service MIDLAND, Michigan — Four times a year, David T. Buzzelli, a vice president of Dow Chemical Co., prepares for a meeting that could have a major impact on the company's opera-tions. To get ready, he gathers information on manufacturing plans and product offerings, in-cluding material Dow considers confidential.

But this is no ordinary meeting of executives. Instead, Mr. Buzzelli will share the company's plans with a panel of outsiders comprising Dow's Corporate Environmental Acvisory Council.

Inviting environmental advocates to examine the way it conducts business is something new for Dow, which in the mid-1980s fought the Environmental Protection Agency all the way to the Supreme Court to prevent airplane inspection, of its emissions.

But it is typical of the things that have hap-pened since Mr. Buzzelli was named two years ago as Dow's first corporate vice president for environmental, health and safety matters.

Now, Dow has a program to cut its most significant toxic emissions in half by 1995. Plant managers who once ignored anyone beyond the fence are forming community advisory panels. And the company has pledged - at least in theory -to phase out products and applications that do not meet environmental standards.

Strong stuff for a company whose bestknown product may still be the napalm it produced during the Vietnam War. But Mr. Buzzelli insists that Dow, the second-largest U.S. chemical company after Du Pont Co. and the

maker of such best-selling consumer products as Saran Wrap and Ziploc bags, has changed. The company's future, he said, depends on how well it manages its environmental respon-

sibilities and how convincing its efforts are.
"This is not about altrusm," he said, "We concluded that people who do not pay attention to the environment will not be successful." Not everyone is convinced Dow has gone completely green. Daniel J. Weiss, a legislative affairs director of the Sierra Club, said Dow is a leading member of the Chemical Manufactur-

ers Association, which he said routinely lobbies against laws aimed at reducing emission The company's engineers have realized they can save money by reducing pollution, but unfortunately that does not extend to their policymakers," Mr. Weiss said.

But Manik Roy, a scientist with the Environmental Defense Fund, which is not a member of the Dow advisory council, said the company's new openness is a good thing. "It's possible to work with these people, even if we do not agree with everything they say," he said.

The seven-member council includes Lee Thomas, a former administrator of the EPA; Joanna Underwood, president of Inform Inc., a New York-based environmental research organization, and Anthony Cortese, dean of environmental programs at Tufts University.

Whatever the true depth of Dow's commitment to the environment, Mr. Buzzelli represents a new breed of environmental manager. In the past, many companies dumped the job

as president of Dow Canada, when he was tapped in August 1990 for his current post.

"The stigma is gone" said Mr. Buzzelli, who now reports directly to Frank P. Popoff, Dow's chief executive, and is a member of the company's top-level management committee.

People like Mr. Buzzelli are showing up in the organizations of many corporations, as the complexity and cost of meeting anti-pollution regulations has risen and public concerns about the environment have been translated into such laws as the Superfund and Clean Air acts.

In fact, is Mr. Buzzelli - and his counterparts at other companies — who could wind up holding the bag if a major environmental disaster occurs. Defense lawyers warn that recent anti-pollution legislation and sentencing guidelines could make environmental managers the subject of criminal prosecution.

According to Arthur D. Little, a consulting firm in Cambridge, Massachusetts, 49 of the top 100 manufacturing companies in the United States had vice presidents in charge of environmental affairs in 1991, up from 38 in 1990. The job used to be part of manufacturing,

added Ladd Greeno, a consultant at Little. Now, he said, "it includes research and development, sourcing, sales and marketing, community relations and stockholder relations." Indeed, Mr. Buzzelli says he is part executive

and part pitchman, spending about half his time on internal company affairs and the rest on a staff type with little influence. But Mr.

Buzzelli was an important line manager, serving groups, giving interviews and making speeches.

#### Amsterdam

The Amsterdam market reained calm amid the turnsoil on European money markets, with share prices closing higher in heavy trading. The CBS all-share index gained 6.3 points during the week,

to close at 199.40 on Friday. Volume soared to 29.2 billion guilders, from 11.9 billion guilders the previous week.

## Frankfurt

Frankfurt stocks rode out the storm that buffeted European financial markets, to post large gains; the DAX index rose 61.5 points during the week, to finish at 1,589.3 on Friday. Volume on the eight German ex-

changes rose to a total of 36.02 billion Deutsche marks for the week, against only 21.2 billion DM the previous week.

with a surge on Monday, jumping 4.4 percent, but it eased back following the moderate cut in the Bundesbank's key interest rates.

#### Hong Kong

Share prices rose overall in a week of broad fluctuations; the

Hang Seng Index, the market's an money markets and the devalua-main barometer, gained 152.03 tion and suspension of the lira from points, or 2.7 percent, during the week to close at 5,689.32 on Friday.

The market's MIB index hit its Average daily turnover was lowest point of the year, at 696 1.523 billion Hong Kong dollars, points, on Wednesday, but recovup from the previous week's 1.45 billion dollars.

#### London

The collapse of sterling and its withdrawal from the European Monetary System caused shares to soar as dealers foresaw falling in-

terest rates. The Financial Times-Stock Exchange 100-share index ended Friday up 196.1 points, or 8.3 percent, at 2,567.

The index rose 2 percent on Monday alone, when the Bundesbank lowered interest rates. The increase in rates in Britain, to 12 percent and then 15 percent on Wednesday, depressed the ex-The market started the week off cided the rates were unsustainable and sterling came out of the EMS. Rates returned to 10 percent Thursday, and frenetic dealing en-sped; prices soared.

#### Milan

70 million shares a day, from 50

The Paris Bourse shook off jit-

ters ahead of the Maastricht refer-

grew in the course of the week, that

Europe and weaker stock markets

million the previous week.

endum to post solid gains.

interest rates might be cut.

week to close at 1.341.86 points on Friday. The broader-based All-Singapore index eased 363 points to finish the week at 360.79. Total turnover for the week fell 6.1 percent, to 148.6 million shares. cred to finish at 739 points on Friday, for a gain of 21 points for the week. Volume rose to an average of

#### Tokyo

Share prices were mixed in lackluster trading during a holiday-shortened week on the Tokyo Stock

Exchange. Investors were cautious ahead of Saturday's Group of Seven meeting in Washington and Sunday's French referendum on the Maas-

The CAC-40 index gained 80.95 tricht treaty.
The benchmark Nikkei average points during the week, to close at 1,882.94 on Friday. of 225 blue chips closed at 18,166.80 Friday, a gain of 0.33 percent for the week. Analysts said share prices were buoyed by expectations, which

## French voters would approve the Maastricht treaty and that French Zurich

Foreign investors helped push share prices higher on the Zurich Singapore
Share prices lost ground on the exchange, as they fled markets more vulnerable to turmoil on the Singapore stock exchange, with dealers citing currency confusion in European money markets. Bank and insurance companies were especially sought.

The Swiss Performance Index The Milan bourse was steady last week, despite the crisis on Europe dex shed 27.38 points during the close at 1,157.63 on Friday.

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# SPORTS BASEBALI

# Braves' Big Inning: 4 Homers in 6th

Atlanta Hitting Crushes Astros, 16-1

The Associated Press

The Atlanta Braves matched a club record with four home runs in an inning and set a season high for runs on Sunday, routing the Hous-

David Justice, Brian Hunter and Ron Gant hit consecutive home runs in the seven-run sixth inning off Al Osuna, and Mark Lemke homered one out later off Rich Scheid,

Atlanta, which ended a three-game losing streak, maintained a

#### NATIONAL LEAGUE

110

Hard in the Min

Cacher- Thinkle

71/2-game lead over second-place Cincinnati in the NL West, Justice and Terry Pendleton drove in four runs each for the Braves, who lowered their magic number for a sec-ond straight division title to seven. Pendleton also drove in his 100th

run of the season.
The Braves became the first team to homer four times in an inning burgh, Dong Drabek scattered ince the Detroit Tigers did it on eight hits in his ninth complete Sept. 10, 1986. The only other time game and matched a career high the Braves hit four in an inning was on June 21, 1971, when Mike Lum, Hal King, Hank Aaron and Darrell Evans did it against Montreal.

Sid Fernandez pitched a five-hitter for the Mets' victory, and the Mets took two of three games over the 11, Cubs 10: In Chicago, Stan first-place Pittsburgh in the NL

irst-place Pittsburgh in the NL game, to give St. Louis a split.

ast. Ryne Sandberg went 5 for 5 in the doubleheader with four walks win his previous two starts against n New York this season, including a

season for Fernandez and the victory and Barry Larkin drove in eighth of his career. It was the left- three runs. hander's fourth complete game.

from the Mets this year.
Reds 6, Padres 1: In Cincinnati, Tim Belcher struck out a career-start of the season and Swift getting high 13 and Dave Martinez hit a his first save.

two-run homer for the Reds's Astros 3, Braves 2: In Atlanta,

complete game. He has struck out 10 or more eight times, including three times this season.

Greg Harris (2-8) gave up four runs for San Diego and eight hits in 4½ innings. He is winless in eight starts since May 31.

Cardinals 16, Cubs 4: In Chicago, Stan Royer hit his first major league homer and drove in four runs, and Geronimo Pena's threerun double capped a six-run first inning. St. Louis got 22 hits. Ryne Sandberg homered for the

fourth time in six games, bitting his 24th homer of the season in the seventh inning. Shawn Boskie (5-10) faced seven batters and retired none in the shortest start of his major league career.
Bryn Smith (2-1), who relieved

Mark Clark in the fourth, allowed one run and three hits in four in-

■ In games Saturday: Pirates 3. Phillies 0: In Pittseight hits in his ninth complete with 11 strikeouts. Drabek won his

fourth straight start.

Mets 7, Expos 5: In New York, Evans did it against Montreal.

Steve Avery (11-10) won for the first time in seven starts since Aug.

Chico Walker singled with the bases loaded to snap a 3-3 tie in the eighth, Eddie Murray followed 5. with an RBI single, Jeff Kent
Mets 1, Expos 0: In New York, walked with the bases loaded and

Todd Hundley hit a sacrifice fly. Cubs 6, Cardinals 5; Cardinals weekend from the Expos, hurting Royer singled home the go-ahead Montreal's chances of catching run in the 10th inning of the second

and walked two in beating Ken Hill and three RBIs. He tied the second-(16-9). Hill had shut out the Mets game with a two-run homer in the ninth off Lee Smith. Reds 5, Padres 2: In Cincinnati.

Bobby Ayala pitched seven shutout It was the second shutout of the innings for his first major league

ander's fourth complete game.

Montreal won 12 of 18 games

Giants 3, Dodgers 0: In San
Francisco, Jeff Brantley and Bill Swift combined on a five-hitter, with Brantley making his second



Houston's Ken Caminiti colliding with Atlanta's Greg Olson. Caminiti was out, but Olson broke his ankle and

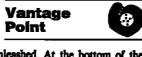
# When Little Leaguers Copy Their Elders

By Tom Callahan Washington Post Service

WASHINGTON — The axiom used to be that, no matter how deprayed society got, civilization would still be able to look itself in the eye as long as nobody fixed the Souphox Derby.
Twenty years ago, this had to be amended.
One of those \$75-maximum crates was found to be a \$22,000 wind-tunnel job with an electro-

magnet hidden in its nose cone. When, against astronomical odds, two children from the same Colorado household took

consecutive derby championships in 1972 and



73, investigators were unleashed. At the bottom of the scandal, beneath several layers of fiberglass, they uncovered a father.

So the adage became: No matter what happens next, everything will be fine as long as nobody fixes the Little League World Series. On Thursday, this maxim also became inop-

For employing eight ineligible players, includ-ing some of dubious age, the Filipino Little Leaguers of Zamboanga City (and, it trans out, Manila and Isabela) were stripped of the title they won first in narrow preliminaries against Taiwan and the Dominican Republic and then in a smashing final over Long Beach, California. Deborah Burroughs, wife of the Long Beach manager, mother of a chubby pitcher, dedicatLittle League teams that have lost to Asian

champions in the last 26 years. "We feel from looking back that this has happened many times in the past and it had just never been investigated," said Burroughs. "The Dominican kids were obviously men. Our coaches said you could tell in the showers. At least the

Philippine kids were smart enough to use Nair." There are only two things that have to be said about this, both of them impolite. One concerns baseball and the other has to do with parents, Only bow-tied dreamers miss the obvious fact that baseball, our national pastime, is a generally low and base game played by generally low and base people. In baseball, fair play is

an exceedingly relative term. Outfielders are expected to hold trapped balls aloft as if they caught them. Cheating is considered charming. It has always been this way. While a third baseman in the American Association, the great John McGraw was amazingly deft at slowing down base runners until the day Pete Browning undid his buckle between second and third and

left McGraw holding the belt. With defiant candor last week, the Baltimore Onoles' manager, Johnny Oates, spoke of the contrivances he is considering for next season in

continuances he is considering for next season in the matter of Cal Ripken's specious chase of Lou Gehrig's record 2,150 straight games played.

"There's nothing in the rule book that says Junior has to play nine innings every day to keep the streak going," said Oates, who is thinking of lifting him occasionally in the first inning. If Ripken is a bit of a fraud, well, Gehrig was a bit of the first inning. of a fraud. That's how baseball thinks.

face that Junior did not play his way into omnipresence this year. As his tote board passed 1,700 consecutive games, he was ceded his daily place for commercial reasons, or some

momentary good of the player or the ultimate well-being of the team. Rob Dibble and Lon Piniella rolling around in their knickers last week cursing and fighting over who was or wasn't being treated like a man recalls the old line that baseball is a game grown men try to play like little boys and little boys try to play like grown men.

other reasons, that had nothing to do with the

Little League baseball is a game grown men and women play from the stands. The teams are stacked. The fields are proving grounds. The manager's relatives do most of the pitching and catching. The parents bring the pressure and chatter: Good eye, good eye. Be a hitter in there. Looked good from here, ump. What, are

yon blind, ump? Swiiinningg, batter. Dock Ellis's consin put a baseball in his baby crib, as fathers occasionally do. A quarter of a

century later, Dock was doctoring a ball in a

World Series. Now, there's the American Dream. "Our Philippine leaguers defeated the American champions in their own national sport, in their own homeland," said Aramando Andaya, resigning his position as administrator of the Philippine Little League. The Americans in Williamsport just could not take it at the hands of the Filipinos. Hence, they scrounged around for some reason to overturn the victory."

# White Sox Defeat Indians as Thigpen Gets 200th Save

Viola gave up two runs on five hits in seven innings, and Greg Harris threw a wild pitch in the

late surge and New York stopped

its six-game losing streak.

Mattingly's two-run double

keyed a three-run seventh inning that put New York ahead, 5-3. Kel-ly's three-run double highlighted a

five-run eighth.

The Yankees hit seven doubles,

tying their season high and match-

ing a Kansas City mark for most doubles allowed. Danny Tartabull

hit his 23d home run for the Yan-

kees. Matt Nokes had his first

three-hit game since June 6 and Charlie Hayes also had three of

New York's 16 hits.

In games Sacurday:

ninth that scored a run.

The Associated Press

Bobby Thigpen became the youngest pitcher to reach 200 saves and Ron Karkovice drove in four runs, two of them with a tie-breaking homer in the fifth inning, as the Chicago White Sox beat the Indi-

ans, 10-8, Sunday in Cleveland. The 29-year-old Thigpen got four onts for his 22d save of the season, joining 13 other relievers with 200 career saves. Bruce Sutter,

Lee Smith and John Franco all accomplished it at age 30. Robin Ventura had three hits,

AMERICAN LEAGUE Joey Cora and Dan Pasqua also had three hits for the White Sox, who concluded a 5-1 road trip. Cora singled, doubled and tripled,

scoring twice, and Pasqua drove in

Bine Jays 1, Rangers 0: In To-ronto, David Cone combined with Karkovice had seven RBIs in the weekend series despite playing in a pair of relievers on a four-hitter only two of the three games. Mike Dunne (1-0) gave up four for the second straight game.

runs, one of them mearned, in four innings in relief of Wilson Alvarez, Mariners 6, Athletics 4: In Seat-tle, the Mariners ended their clubrecord losing streak at 14 games and stopped Oakland's winning who didn't survive Cleveland's four-run second inning.

Rangers 7, Blue Jays 5: In To-Angels S. Twins 1: In Anaheim, California, Julio Valera pitched a ronto, Jose Guzman outpitched Juan Guzman and Texas held off the Blue Jays, ending a three-game five-hitter, struck out six and walked

winning streak. The Blue Jays fell behind 7-0 in the fifth inning. Their rally fell Tim Nachring, whose solo home short, and the AL East leaders lost run put Boston ahead in the eighth for just the sixth time in 21 games. inning, made a two-run throwing Jose Guzman (15-11) held To-error with two outs in the ninth that

ronto hitless for 4½ innings. He gave the Tigers the victory.

went 6½ innings and gave up three runs on five hits and five walks, and land, Reggie Jefferson, recalled struck out nine. Juan Guzman (15-4) was tagged had three hits, including a two-run

for seven runs, six of them earned, on nine hits in four imnings. His ERA, which was third-best in the AL at the start of the day, went bled and tripled to raise his career from 2.49 to 2.65. Red Sox 5, Tigers 4: In Detroit, Famer Sam R. John Valentin drove in three runs the career list.

and broke a seventh-inning tie with a solo homer for Boston. Frank Viola (12-12) won for the cord ninth straight game and Mil-

hit total to 2987. Brett tied Hall of Famer Sam Rice for 18th place on Brewers 4, Orioles 1: In Milwaukee. Chris Bosio won his team-re-

from the minors two days earlier,

Tigers 3, Red Sox 2: In Detroit,

first time in five starts. In his last wankee moved past Baltimore into two games, he had allowed 11 runs second place in the AL East by beating the Orioles.

#### fourth consecutive victory. Ernest Riles led off the 12th with his first home run since Sept. 24, hits and walked none in his second 1991.

**NASDAQ NATIONAL MARKET** 

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# SPÖRTS

# **Roe Beats the Stars** In Lancôme Golf

Compiled by Our Staff From Dispatches SAINT-NOM-LA-BRE-TECHE France — Mark Roe of Britain fought off the stars in an elite field to capture the Lancôme Trophy here on Sunday.

Roe rettled home three birdies in the first three holes to take a lead he would never relinquish and pick up the biggest prize of his eight-year

The 29-year-old Englishman shot a final 5-under-par 65 over the 6,177-meter (6,661-yard) Saint-Nom course to finish 13-under at

His \$148,000 victory check boosted his season's earnings to \$316,024 and lifted him to 20th on the European money list.

"So often my mind would wander at crucial moments in the past, but this time I concentrated." Roe said. "It's obviously the biggest win of my life."

While Roe was in the top five three times this year, his only previous European title was the Catalan Open in 1989.

Roe firmly stroked in birdies from six meters, 1.5 meters and 7.5 meters to launch his victory bid. A dropped shot at the 4th hole, when he was bunkered, was followed by birdies at the 8th, 10th and 16th. At the 14th he hooked his drive but his ball, heading for trees, bounced off a spectator's thigh and

"She saved me one or two shots," Roe said, referring to the woman 8 under par on the 6,454-meter

graph. I owe her a kiss." Argentina's Vicente Fernandez fired a 64 to slip finish second at

269, two shots behind Roe. A recent winner of the English Open, Fernandez now moves up to 12th in Europe with total prizemoney of \$384,407. Fernandez had six birdies and

never strayed over par Sunday. Two Englishmen, Steven Richardson, who fired 63, and Jim Payne, who carded 68, were joined in third place by Argentina's Eduardo Romero, 68, a further stroke back at 270.

Spain's José-Maria Olázabal. hampered by tendinitis in the wrist, had a 69 to finish sixth at 271. The overnight leader, Peter Se-

nior, dropped to 7th place at 271 after a 71. Nick Faldo, the world and Euro-

pean No. 1, shot a 67 to finish 17th at 276. Faldo said he was happy with his form in a tournament in which he

has never done well - despite missing out on the chance to equal Severiano Ballesteros's record of four consecutive wins on the Euro-"Four in a row was a tall order,

especially here," he said.

• In Hiroshimacho, Japan, Masashi (Jumbo) Ozaki shot an evenpar 72 on Sunday to win the ANA Open tournament by four shots. Ozaki, who started the day with a four-shot lead, finished with a 280,



Sapporo Golf Club course. It was Frost posted four birdies for a 6his fourth triumph of the season and the 75th of his career.

Ryoken Kawagishi had the day's strokes after three rounds. best round, a 68, and finished sec-ond at 284, followed by Naomichi Ozaki. Masashi's brother, at 285 after a closing 69.

Greg Norman of Australia shot a 72 and was among three golfers tied for sixth at 287. • In Coal Valley, Illinois, David

under-par 64 on Saturday to lead the Hardees Golf Classic by five total after 54 holes on the 6.175-

Frost breezed to a 16-under 194 meter Oakwood Country Club course, putting him in a position to repeat his performance at the Buick Classic in June, when he won by leading wire-to-wire.

(AP, AFP, Reuters

# Bubka Again Sets Record in Pole Vault

Compiled by Our Staff From Dispatches TOKYO — Sergei Bubka broke mibia was third in 10.27. his own world record in the pole In the women's 100 mete vault when he soared 6.13 meters (20 feet, 11/2 inches) at an interna-

tional athletics meet in Tokyo. The 28-year-old Ukrainian broke his previous mark of 6.12 meters, set on Aug. 30 in Padua,

Bubka, a three-time world champion and the 1988 Olympic champion, comfortably cleared the bar Saturday at his first attempt at the height before a crowd of 60,000 at Olympic Stadium in Tokyo. Bubka had earlier cleared 5.60 and 5.80 meters.

It was the third time this year that Bubka has broken the world record. But he failed to clear a height at the Barcelona Olympics

"I would like to keep jumping until the 1996 Atlanta Olympics," Bubka said. "Right now I'm training to jump more world records. It's my main motivation."

cleared 5.70 meters. Bubka's elder brother, Vasili, was third with 5.60. and finished clear of Alois Niji-In the final track event of the gama and Yosuke Osawa of Japan.

day, Carl Lewis, who set the world 100-meter record of 9.86 seconds in Tokyo last year, was beaten by his meter world record he set at the American compatriot Dennis Mitchell.

the 100-meter A heat to clock 10.18 and Masaki Morinaga was third at seconds, ahead of Lewis, who ran it 7.91.

in 10.25. Frankie Fredericks of Na-

In the women's 100 meters, Juliet Cuthbert of Jamaica was out of the blocks first but within meters, Gwen Torrence of the United States caught her and held on to win. Torrence clocked 11.43 seconds. Cuthbert followed in 11.76, and Toshie Kitada was third with a time of 12.07.

The U.S. men's 4 x 100-meter relay team, which included three of the four athletes who set the world record and won the event at the Barcelona Olympics, sped to an easy victory over two Japanese teams with a time of 39.18, well off the world record of 37.40.

Mike Marsh, the Olympic gold medalist, sailed to an easy victory in the 200 meters, clocking 20.59 seconds. Heard came in second with a time of 21.23, and Hiroki Fuwa of Japan was third in 21.34. No one was close in pursuit of Khalid Skah of Morocco as he crossed the finish line to win the men's 10,000 meters in 27 minutes, His nearest competitor was 55.88 seconds. Skah, the controver-Maksim Tarasov of Russia, who sial Olympic champion, pulled away from the pack late in the race

Mike Powell flew 8.36 meters in same site a year ago at the World Championships. The Olympic tri-Mitchell, the Olympic bronze ple jump champion, Mike Conley, medalist, got off to a fast start in the 100 medalist, got off to a fast start in the 100 medalist, got off to a fast start in the 100 medalist.



(Reuters, UPI) Sergei Bubka easily clearing 6.13 meters on his first attempt.

#### SCOREBOARD

\$ 7 8 4 - 18 (\$P)

Major League Standings (Through Sqturday's Game AMERICAN LEAGUE

Son Diego

Friday's Line Scores

AMERICAN LEAGUE (8) and Rodriguez, Stepher's (5); Key, Elchham (8). Wells (9) and Borders, Sproque (8). W—key, 11-13.L.—Brown, 19-18.HR—Taronto, White (16). Winfield (25), Martinez (1).

ion, Young (3), trying (7), Fossos (8)

7<del>/2</del> 11

Komleniecki and Nakes; Pichardo, Mont-somery (8) and Maclariane, W—Pichardo, 9-5. somery (8) and Mactariane, W—Pichardo, 9-5.

L.—Kambeniecki, 5-12. Sv—Montpornery (25).

Chicope 27 031 031 98-4 7 2

Cleveland 222 829 891—7 26 2

AcCaskill, Leach (6), Hernandez (8) and
Karkovica; Milicki, Nichals (5), Wickander
(6), Pewer (7), Lilliaust (9) and Ortiz, W—
AcCaskill, 16-12 L—Milicki, 9-1. Sv—Hernandez
(111), HRS—Chicaso, Roines (6), GBeti
(23); Cleveland, Betie (37), GHIII (77),
Saltimere 900 972 518—4 11 1

Miliwaskee 43 641 892—12 17 8

Sufcliffe, Clements (3), Williamson (5),
Flanasan (8) and Holles, Tackati (7); Eldred,
Orasco (7), Fethers (7), Plesoc (8), Heaton (9)

and Nilsson, McIntals (7), W—Birtad, 9-1. L—

Sufcliffe, 14-13, HRS—Baltimore, C. Riplen
(12), Orsulak (4); Miliwaskee, G. Vaughn (21).

Line Scores Nef Available:

Mirnesota 4, California 1

Oakland 7, Seattle 4

NATIONAL LEAGUE

St. Louis 000 182 486—7 7 6
Chicopo 020 840 382—9 14 1
Tewksbury, B. Smith (4), McClure (7), Corpetter (8) and Gedmon: Builinger, McElroy (7), Robinson (7) and Wilkins, W.—Robinson, 43. L.—B. Smith, 1-1, HR3—3t. Louis, G. Pena (7), Chicopo, Sandberg (22), Dawson (7), Mny (8), Moutrest 100 210 846—10 16 1
New York 600 830 610—4 11 6
Kruseer, Gardner (5), Bottenfield (7), Fossers (9) and Fleicher, Loker (7); Gooden, Jones (8), Dowey (8), Vitto (9) and O'Brien, Hundley (9), W.—Gardner, 12-8, L.—Gooden, 813. HR—Montreot, Cordera (1),
Sm Diego 628 600 600—2 2 2

ian Diego 228 988 988—2 7 2 Discimusti 792 989 18x—4 8 9 Hursi, Moddux (7), Rodriguez (7), Metendez (7) and Santiago; Pugh, Faster (7), Hill (1), Dibble (9) and Oilver, W—Pugh, 3-1, L—

Afficiency of the Market of th Anserte 912 998 896—2 8 1 Hornisch, Hernandez (6), Murphy (8), Scheid (9) and Servais, Toubensee (7); Lei-brandt, Reynaso (3), Freeman (5), St. Claire (7), M. Davis (8) and Olson, Berryhill (5), Laoez (9), W—Harnisch, S10, L.—Leibrandt, 12-7, HR.—Atlanta, Gant (15).

Saturday's Line Scores AMERICAN LEAGUE

AMERICAN LEAGUE
Chicago 180 602 128 -69 -4 7 8
Chreekand 80 602 128 -5 9 4
AkcDowell Redissicy (8.), Thispen (8.) and
Fisk: Cook, Plunk (8.), Lifficuist (9), Olin (9)
and Levis, Oritz (9), W-Plunk, 9-4, L-MoDowell, 28-5 Sv-Olin (27), HRs-Chicago,
Thomas (24), Bell (24),
Texas 80 80 80 80-9 4 1
Teranta 80 801 98s-9 4 1
Teranta 80 801 98s-1 4 6
Chicamporino, Nunez (8) and Rodriguez;
Cone, D. Ward (8), Henke (8) and Borders,
W-Core, 3-2, L-Chicamporino, 0-3, SvHenke (30).

W—Cone. 3-2. L—Chlomocrina. 0-3. Sv—Henke (30).

Saston 900 911 918—2 4 3

Detroit 900 919 912—3 4 8

Darwin, Horris (9) and Pena) Tomone and

Kreuter, W—Tomona, 13-9. L—Hairis, 3-9,

HR—Boston, Noethrins (3).

Bultimare 910 900 900—1 4 1

Milteratione 900 200 112—4 7 9

McDonold, S. Davis (7), Poole (7), Froh
wirth (3), Ohen (3) and Halles; Bosla, Orosco
(3), Hotmes (9) and Surhoff, W—Boslo, 15-5.

L—NcDonold, 12-12, Sv—Holmes (4), HR—

Baltimore, Hottes (20).

L—NucDorald, 12-12, 3v—Hothmes (4), MR—Belthmora, Holles (26).

New York 829 809 829—4 8 2

Konsus, City 289 609 126—7 13 8

Perez, Nielsen (6), Springer (8) and Stanley, Leyritz (7); Rostmussen, Mognante (6), Meacham (8), Montpomery (9) and Mocfornone. W—Rossmussen, 2-0. L—Perez, 12-15.

Sv—Montpomery (36).

Outland 218 819 889—4 8 1

Velich, Downs (5) and Guirk, Mercedes (6), Selinboch (8); Leary, Swan (6), DeLucia (7), Nebson (8) and Velle, W—Leary, 7-8, 1,—Welch, 18-4. Sv—Nelson (5), HR—Outland, Slarra (16), Missessets 808 808 809—1 3 8 Minnesets 960 860 891—1 5 8 California 911 801 22x—5 9 8 Toponi, Casion (8), Banks (8) and Parks, Webster (8); Valera and Orton, W—Valera, 8-11

ini, 15-71. 900 900 928—2 7 1 100 318 80;—5 6 8 peris (5), Scott (8) and Waler (8). Dibble (9) and Oliver W-Ayele. 1-1. L-Seminare, 8-4. Sv-Dibble (22), HR--Cincinnell, Lorkin (12). 800 800 800-0 5 8 180 800 17x-3 11 8

Osborna, Corpetter (6), Perez (7) and Ged-man, Pognozzi (7); Costillo, Assemmocher (6), Sconion (7) and Girordi, W.—Costillo, 9-19, L.—Osborna, 19-8, Sv.—Sconion (14), Second Geme \$1, Louis 402 289 191 1—11 14 0 Chicaso 419 380 622 0—16 11 3 (16 instance)

436 380 682 6—16 11 3

436 380 682 6—16 11 3

Glivares, DiPina (4), McClure (7), Warrell
(8), L. Smith (3) and Pagnazzi; Patterson,
Sicoumb (4), McClure (7), Warrell
(8), C. Smith (3) and Pagnazzi; Patterson,
nocher (9) and Wilkins, W—Smith, 47, L—
Assenmacher, 4-3, HRS—St. Louis, Galarraga
(9); Chicaso, Daniels (6), D.Smith (3), Sandbars (23),
Philadelphia 888 888 888 888

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**FOOTBALL** 

Major College Scores EAST
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Colorde 17, Forthern 7
Dorimouth 34, Pent 17
Delowere 31, Rhode Island 14
Harvard 27, Colorabia 20
Houserd 11, 25, Chemista 20 Massochusetts 7, Holy Cress 3 New Hampshire 28, Lehigh 14 Northeastern 47, Maine 36 Ohio 31, 35, Syrocuse 12 Penn S1, 52, E. Michigan 7 Princeton 22, Cornell 32 Towson 55 Howard U. 75, Cheyney 6 Latayette 47, Buffalo 28

Princeton 22, Carnett 20 Towson St. 24, Bucknett 21 Villanova 34. Richmond 33 Virginit Tech 25, Temple 7 West Virginic 34, Maryland 33 Yole 22, Brown 17 SOUTH
Alcorn St. 32, Aleborno St. 7
Auburn 30, LSU 28
Citadel 28, E. Tennessee St. 7

Delaware St. 31, Bethune-Cool Duke 17, Rice 12 DURE 17, NICE 12
E. Kentucky 28, NE Louisiana 21
East Carolina 20, South Carolina 21
Fierida 51: 34, N. Carolina 51: 13
Furman 43, Presbyterion 7
Georgia 56, Cai 51, Fullerion 0
Grambling 51: 28, Tennessee 51: 22
James Modilena 28 Grambling St. 38, Tennessee St. 22 James Madison 38, Holstra 6 Marshall 34, VMI 16
Marshall 34, VMI 16
Marshall 34, VMI 16
Marshall 35, Flarida A&M 0
Miss. Volley St. 19, Miles 6
Mississippi St. 28, Memphis St. 16
N. Carolina A&T 52, Morgen St. 23
Marth Carolina 24, Carol 8 North Carolina 22, Army 7 Samford 17, Yennessee Tec rn Miss. 16, Louisiana

William & Mary 31, Boston U. 21 MIDWEST Ball St. 10. Kent 6

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Illinois St. 27, St. 28, St. 19
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SW Missouri St. 35, Norm Fex. Texas Ash, 26, Missouri 13 Teledo 33, Purdue 29 W. fillnois 31, W. Kentucky 30 W. Michigan 24, Alcron 20 Wisconsin 39, Bowling Green 13 Southwest 31 Baylor 45, Utoh St. 10 Houston 71

Houston 31, Hilmois 13
Konsos 40, Turiso 7
Langston 33, Protrie View 0
N. Išlinois 31, Artansas 51, 8
New Mexico S1, 20, Texas-El Paso 24
Sara Houston 51, 23, Angelo S1, 0
Southern Col 20, Okiohemo 18.
Stephen F.Augitin 41, Jackson 51, 20
Yannestown 51, 21, 52 Texas 52, 20 wn St. 21. SW Texas St. 20 FAR WEST Air Force 42. Wyoming 28 Artsona St. 19, Louisville 6

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ATP PASSING SHOT TOURNAMENT

roc. 6-4.6-3; Sergi Bruguera (4), Ediric Ploine France, 6-2.6-4. Flasi

SOCCER

Aston Villa 4, Liverpool 2 Everton 0, Crystal Polace 2 Norwich 1, Sheffield Wednesd Oldhom 4, Ipswich 2 Queens Pork Rongers 3, Mick Sheffleid United 1, Arsendi 1 Southempton 1, Leeds 1
Tofferhorn 1, Manchester Unit
Wimbledon 1, Blackburn 1
Manchester City 0 Chelses 1

Monchester City & Chessed ;
Steedings: Norwich 22, Blackburn 18, Coventry 18, Manchester United 17, Queens Pork
Rompers 16, Additiosbrough 14, Aston Ville 12,
Chelsen 12, Iposich 12, Everton 12, Monchester City 11, Oldhom 11, Leeds 11, Arsenal 11,
Totherhom 10, Sheffield Wednesday 9, Liverpool 9, Crystof Poloce 8, Sheffield United 8,
Southampton 7, Wimbledon 6, Nottinshom Forest 1

FRENCH FIRST DIVISION Monipeliler & Paris St. Germain 9 Names 3, Lens? Marselle 1, Le Havre 1 

Volenciennes 0, Lyon 0 Standings: Paris St. Germain 12, Nantes 12, Marsellie 11, Auxerte 18, Bordeaux 9, Metz 8, Montpellier 8, Monaco 8, St. Etienne 8, Strasbourg B, Lille 7, Sochoux 7, Coen & Le Havre Toulon 5, Lyon 4, Lens 1, Valencie Nimes 1, Toulouse 2

GERMAN FIRST DIVISION Sochum 2. Boyer Leverkusen 2 mo Dreaden I, Borussia Moenci Eintracht Frankfurf 1, FC Saarbruecken 1 FC Kaiserslaufem 3, Werder Bremen 1 Bovern Munich 1, SG Wattenscheid 1

Standings: Bayern Munich 11, Bayer Lever-tusien 10. Eintrocht Frankfurt 9, Barussla Derimund 9, VHS Stuttgart 9, Dynamo Dres-den 8, Kolserslautern 7, Kartstrute SC 7, Warder Bremen 7, FC Soarbruecken 7, FC Nueremberg 7, VfL Bochund 5, Schalles 6, Wart-frascheid 6, Bayer Uerdinsen 5, Barussla Moench. 5, Hamburg SV 4, FC Cologne 1.

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SPANISH FIRST DIVISION Logranes B, Cette 1
Espanol 1, Codiz 2
Zorapam L, Oviedo 8
Atheric de Bilboo 4, Rayo Vallecano 2
Departivo 2, Cassuna 11
Albacete 1, Raci Sociedad 2
Sportins de Gilon 6, Raci Modrid 8
Burgos 8, Teserife 3
Leading Steedings: Departivo 6, Barcelono 5, Zorapaco 5, Atheric de Bilboo 4, Atletico de Modrid 4, Sporting to Gilon 6, Atletico de

1974 WORLD CUP QUALIFYING Oceania, Gresp Ose Sunday, in Sydney Australia 2, Tahiti 8 Oceania, Group Two Seferday, in Save-

TRANSACTIONS

Fiorida, in 1973. DETROIT—Signed Emile Harwell, radik prodesser, to one-year contract.

NEW YORK—Activoted Mike Gallege, inleider, from 15-day disabled list, Recoiled J.,
Snow, Hensley Meulens and Dave Silvestri, ifielders, and Jeff Johnson, pitcher, from Cr

Influence, and Jerr Jamesa, pircher, from Co-lumbus, international League.

National League
CHICAGO—Named Al Golds vice presided of scouting and player development.

SAN FRANCISCO—Named Tony Slegle as:
sistent general manager, Exercised their op-



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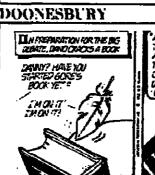














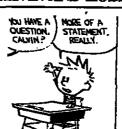
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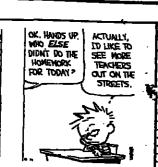


#### CALVIN AND HOBBES



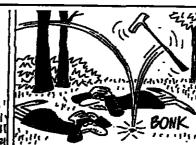






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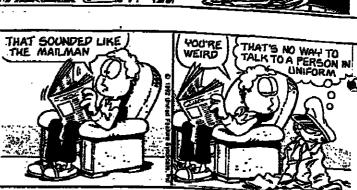






**REX MORGAN** 





# SPORTS FOOTBALL

# Beyond Football Field, Athletes' Commitment

By William C. Rhoden New York Times Servi

N EW YORK — In a matter of weeks after the opening of school, the University of North Carolina has reached a critical juncture in what has become a tense, emotion-filled battle over the construction of a separate black cultural center on campus.

director Spike Lee spoke on behalf of the building project, which has become the object of a bitter tug-of-war between Chancellor Paul Hardin

thand a coalition of UNC student groups. Lee said he decided to be-Vantage come involved after learning that members of the North Carolina football team, with support from

or the following the state of t

**Point** other UNC athletes, were in the forefront of the push for the center. The football players led a march of about 800 students to the chancellor's office on Thursday to set a November deadline for his public endorsement of the building, which would be named in honor of Sonja Haynes Stone, a popular African and Afro-American studies professor at

North Carolina who died last August. Lee said Stone was a consin. "I'm not getting involved just because Sonja was my consin," Lee said. "I'm a big sports fan and I always longed for the day when black athletes would move to do something. Schools are making millions of dollars from TV contracts on basketball and football programs, and most of that money is being generated by great black athletes. Maybe they're finally waking up and realizing how much power they have."

No doubt the events at North Carolina will be watched by presidents and athletic directors of large Division I schools with teams composed predominantly of black athletes.

It is unusual for athletes to take an active role in anything that might threaten a scholarship. During a panel discussion in New York last week, Greg Anthony, New York Knicks guard, said athletes were essentially well-compensated

slaves bought and sold on an owner's whim. One can certainly take issue with a comparison that equates millionaire athletes with slaves. But the larger point is that a certain slave mentality does prevent these millionaire athletes from seeing themselves as potentially powerful political entities.

The athletes' political awareness fails to keep up with their accelerated income. Little wonder, when college coaches like Jackie Sherrill are charged with teaching them perspective.

A couple of weeks ago. Sherrill, beginning his second season at Mississippi State University, arranged for his team to watch the castration of a buil during practice. Sherrill thought the demonstration would be educational and would provide inspiration for the team's game against Texas. Donald Zacharias, president of Mississippi State, issued a lukewarm admonition and then sent Sherrill back outside to play.

At North Carolina, the players politicized themselves, then effectively warned their coach. Mack Brown, not to interfere with their lives outside football. What has impressed even those who oppose a separate center is how effectively a group of athletes organized to address the issue. The battle had been going on for nearly 13 years at North Carolina and

Intensified in August 1991, when Stone suffered a stroke. But it was not until June, when four football players — Jimmy Hitchcock, Malcolm Marshall. Tim Smith and John Bradley — became involved, that the movement accelerated and attracted a broad, multiracial base of support. Two major questions remain: Will the North Carolina protests become the impetus for greater activism among black student athletes around the country? And, more immediately, how much will the athletes be willing to

sacrifice to achieve their goal? Hardin has said in private meetings that conservative forces on the board of trustees and within the state will not approve a separate black cultural center, even if outside money is raised for it.

"A lot of guys on the team were reflectant to get involved at first until we explained how important it was and how it went beyond playing football," Smith said. "It's not about just having a building, it's about power and building a monument to Dr. Stone and to all the black people who used to own the land this university was built on.

SIDELINES

Mitsubishi Wins 15th Stage of Rally

SHANSHAN, China (AFP) — Mitsubishi took the first three places Sunday in the 15th and most scenic stage of the Paris-Beijing Rally.
On the 395-kilometer (245-mile) section from Korla to the desert town of Shanshan, Erwin Weber of Germany was the fastest; Bruno Saby of France was second, and Kenjiro Shinozuka of Japan, third.
In the overall standings, Shinozuka is second, 38 minutes behind the

leader, Pierre Lartigue, in a Citroën. Weber is third; he closed the gap on

The stage took the field through breathtaking terrain, including a valley 100 meters (330 feet) below sea level where the temperature soared to 40 degrees centigrade (104 degrees Fahrenheit).

PARIS (Reuters) — Arazi flopped again on Sunday, but may still bid for next month's Breeders' Cup in Florida.

The colt finished only third in the Prix du Prince d'Orange, beaten six lengths and a head by Arcangues and Prince Polino in a five-runner race over 10 furlongs. It was Arazi's third defeat in a row, after reverses in the

Arazi was rated one of the best 2-year-olds for years in 1991, when he won the Breeders' Cup Juvenile, but little has gone right this year. Trainer François Boutin said, however, that he had not ruled out an entry in the

Napoli Declines to Meet on Maradona

NAPLES, Italy (AFP) — Napoli has declined to attend a meeting Monday with FC Seville aimed at resolving the transfer wrangle over Diego Maradona, the Italian soccer club announced on Sunday.

No reason was given, but sources said it may be because the Spanish club's offer of \$4.5 million for the Argentine star falls way short of Napoli's price of \$9 million. The Monday meeting at the Zurich head-

quarters of FIFA, soccer's governing body, was seen as a last chance to allow Maradona to resume his playing career this season.

The 31-year-old completed a 15-month suspension for cocaine use in the summer, but refused to fulfill the last year of his contract with Napoli.

Unbeaten Chris Eubank of Britain drained the punching power from challenger Tony Thornton of the United States on Saturday in Glasgow and won a unanimous decision to retain his World Boxing Organization

super-middleweight title.

(AP)
The St. Louis Blues of the National Hockey League have signed the top draft pick, Igor Korolev, and negotiated his release from the Dynamo

Edgar Martinez, third baseman with the Scattle Mariners and the

American League batting leader with a 343 average, underwent surgery to remove bone spurs from his right shoulder and will miss the rest of the

Shinozuka by six minutes to about 47 minutes. Saby is fourth.

Another Disappointment for Arazi

Kentucky Derby and at Royal Ascot.

Breeders' Cup, at the end of October.

For the Record

"We're committed to this."

First Bout

In China Is

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NEW YORK - The first

professional championship boxing match to be held in

China has been called off by the promoter, Bob Arum, amid reports that the fight's

promotion was linked to a fi-

Arum, who said an injury to

one of the fighters forced the cancellation, said he would an-

nounce a replacement card next week for the Oct. 16 bout

Arum denied that the can-

cellation had anything to do

with reports that a Chinese

company was claiming it had been swindled out of millions

of dollars in a joint venture

with the government and

"That's not true, it's outra-

geous," Arum said on Friday. Referring to the International

Boxing Federation super-mid-

dleweight champion, Iran

Barkley, who was to detend his

title against another Ameri-can, Doug DeWitt, he ad-ded, The kid made every ef-

"Barkley is injured with severe tendonitis in his left el-

now and has been told he can't

par for six weeks and it may

equire surgery." Arum said by telephone from Las Vegas.

A Chinese company, Beijing

inghua Industries Group,

aid \$3.1 million in its deal

with the government and is asiming that it has been

neated out of the money, the

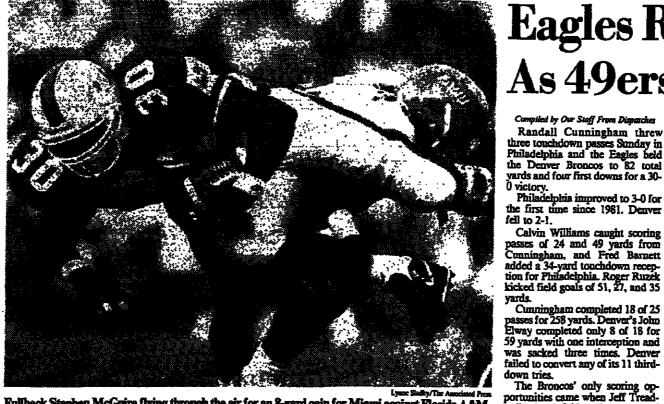
ewspaper USA Today re-

orted on Friday.

fort to make this fight."

Arum to stage the fight.

in Beijing.



Lynn: Staffy/The Associated Press.
Fullback Stephen McGuire flying through the air for an 8-yard gain for Mianni against Florida A&M.

# **Eagles Rout Broncos** As 49ers Trounce Jets

Randall Cunningham threw three touchdown passes Sunday in Philadelphia and the Eagles held the Denver Broncos to 82 total

Philadelphia improved to 3-0 for the first time since 1981. Denver

Calvin Williams caught scoring passes of 24 and 49 yards from Conningham, and Fred Barnett added a 34-yard touchdown recep-tion for Philadelphia. Roger Ruzek kicked field goals of 51, 27, and 35

Cumningham completed 18 of 25 passes for 258 yards. Denver's John Elway completed only 8 of 18 for 59 yards with one interception and was sacked three times. Denver failed to convert any of its 11 third-

49 yards in third quarter and 33 in Taylor broke his left leg in the first the fourth.
49ers 31, Jets 14: The San Fran-

cisco 49ers won for the second time in three weeks at Giants Stadium in East Rutherford, New Jersey, with In the season-opener, the 49ers beat the Giants, 34-14.

Steve Young threw for two touchdowns and ran for another in

NFL ROUNDUP

the first half when San Francisco built a 24-0 lead. The 49ers looked every bit like a National Football League power, while the bumbling Jets continued their horrid play after an undefeated preseason. Coach Bruce Coslet's prediction

during the week that his Jets would win this game looked like folly almost from the outset. The Niners The Broncos' only scoring op-portunities came when Jeff Tread-well missed field goal attempts of victory was costly — receiver John

to play. The Saints had a first down at the Falcons 31, but netted only three yards on the next three plays because of an offensive pass interference penalty and had it fourthand-seven at the Atlanta 29 when Andersen came on to kick the field

Oilers 23, Chiefs 20: In Houston Al Del Greco kicked a 39-yard field goal with 13:05 left in overtime, enabling the oilers to avert an upset

saster the entire game, but railied to take a 20-13 lead late in the game. They won in overtime after Kansas City (2-1) tied the game in regulation, won the toss and the Chiefs' receiver J.J. Birden caught a thirddown pass and then fumbled

caused the fumble, and defensive tackle Doug Smith recovered for the Oilers at the Kansas City 23. After a 2-yard gain by Lorenzo White, Del Greco kicked his third field goal of the game.

Milburn rushed for 111 yards and two scores No. 19 Georgia 56, Cal State-Fullerton 9: In Athens, Georgia, Garrison Hearst scored

drive with an interception for UCLA in Pro-

No. 18 Stanford 35, Northwestern 24: In

Stanford, California, Steve Stenstrom threw

for 297 yards and two touchdowns and Glyn

vo, Utah.

four touchdowns, including three in the second quarter for Georgia. Hearst highlighted Georgia's 28-point second quarter with touchdown runs of 5, 16 and 7 yards. No. 20 Virginia 55, No. 22 Georgia Tech 24: In Charlottesville Virginia, Terry Kirby rushed for 135 yards and scored two touch-

touchdown passes for Virginia. Jerrod Washington returned a kickoff 96 yards for a touchdown for the Cavaliers. No. 24 Mississippi State 20, Memphis State 16: In Memphis, Tennessee, Michael

downs and Bobby Goodman threw three

Davis scored on a 6-yard run in the final minutes for Mississippi State.

Vanderbilt 31, No. 25 Mississippi 9: In Nashville, Tennessee, Vanderbilt safety Jeff Brothers collected 146 yards on an interception, a blocked field goal return and a punt return to upset Mississippi. (AP. UPI)

# Medvedev

**Shuts Down** 

Bruguera

BORDEAUX --- Andrei Medvedev of Ukraine won his third tournament of the year on Sunday, beating Sergi Bruguera of Spain, 6-3, 1-6, 6-2, in the Bordeaux clay-

court tournament. Medvedev, 18, had won at Genoa and Stuttgart, events that were also played on clay. Ranked No. 33 in the world, he could jump to the mid 20's after his victory Sunday.

In topping Bruguera, the No. 4 seed, Medvedev beat three seeded players on the way to the crown. He also eliminated Bjorn Borg in the

first round. Medvedev took the first set, 6-3, then fell behind 0-3 on his way to

losing the second set. He gained the break in the third

set at 3-1 then started to use drop shots to draw Bruguera in from the baseline. Medvedev broke Bruguera again in the final game to take the title. Bruguera was the only seed to

make it to the semifinals after the top three players lost on Friday. Top-seeded Ivan Lendl, secondseeded Carlos Costa and two-time defending champion Guy Forget all lost in the quarterfinals.

 In Cologne, Bernd Karbacher of Germany on Sunday won his first ATP title, beating Marcos Ondruska of South Africa 7-6 (7-4), 6- in the final of the Cologne Open. Karbacher, ranked 82d in the world, rallied from a 5-2 deficit and two breaks down in the opening set. He trailed 4-2 in the second set before sweeping the last four games of the match.

On his way to the final, Karbacher upset top seed Thomas Muster of Austria and No. 3 Javier Sánchez of Spain.

eight weeks. The 49ers (2-1) put the NFL's

most productive artack to work immediately. Young found Jerry Rice a victory over the New York Jets. for 23 yards and Taylor for 19 on the play when he suffered his injury. After getting to the 5, Young avoided a rush and hit a wide-open Rice in the back of the end zone for a 7-0 lead.

Saints 10, Falcons 7: In Atlanta, Morten Andersen kicked a 47-yard field goal with 1:51 left to play to give New Orleans the victory.

The Saints (2-1) had tied the score at 7-7 with 11:06 left in the third quarter of the defensive duel on a 12-yard touchdown pass from Bobby Hebert to wide receiver Ouinn Early.

New Orleans began its winning drive from its own 27 with 5:29 left

by Kansas City. The Oilers (2-1) flirted with di-

Cornerback Cris Dishman

Quarterback Warren Moon, who

les Rici Ho an dej n th hard

mer stan usian arte Yori

threw two interceptions, put the Oilers ahead, 20-13, with a 21-yard touchdown pass to Ernest Givins with 3:15 to play in regulation. But the Chiefs came right back

tying the score with 23 seconds left. in regulation on a 4-yard draw play for a touchdown by Todd McNair. Seahawks 10, Patriots 6: In Fox-

boro, Massachusetts, Seattle won the struggle of toothless offenses. scoring on the game's first series and sacking New England's Hugh Millen six times.

The Seahawks finally sealed the cepted Millen's pass in the end zone with 35 seconds left. The Patriots had moved from their 20yard line to the Seattle 25 on four

straight completions. Chris Warren, who ran for a career-high 122 yards, scored on a 2-yard run 5:42 into the game. John Kasay's extra point gave the Sea-hawks (1-2) all they needed.

Vikings 26, Buccaneers 20: In Minneapolis, Sean Salisbury, playing his first NFL game in five years. replaced the injured Rich Gannon and led the Vikings to a 26-20 vic-

tory. It was Tampa Bay's first loss under Sam Wyche. Cris Carter caught two touchdown passes, one each from Gannon and Salisbury, as Dennis

Green won his home coaching de-but with the Vikings (2-1). The Buccaneers (2-1) had won their first two games at home under Wyche, who was hired to revive an organization that has suffered through nine straight seasons of 10

losses or more. Packers 24, Bengals 23: In Green Bay, Wisconsin, Brett Favre, forced into the game by a first-quarter injury to Don Majkowski, threw a 35-yard touchdown pass to Kitrick Taylor with 13 seconds left, giving the Packers a victory over Cincinnati.

With no timeouts, the Packers moved 92 yards in five plays during their game-winning drive that took just 54 seconds. Favre had a key 42yard completion to Sterling Sharpe in the drive, which capped Green

Bay's 21-point fourth quarter. Taylor's catch behind the Ben-gals defense and Chris Jacke's ensuing point-after gave Green Bay's Mike Holmgren his first NFL coaching victory and Cincinnati's rookie coach, Dave Shula, his first

defeat in three games. Green Bay (1-2) trailed, 17-3, after three quarters, but rookie Terrell Buckley, in his first NFL game, returned a punt 58 yards for one touchdown and Favre, a secondyear player, hit Sharpe for a 5-yard touchdown to cap an 88-yard drive.

#### Washington Beats Nebraska on Turnovers, 29-14 Daron Washington rushed for two touch-downs and Marvin Goodwin stopped a late for Notre Dame. The three touchdown passes

No. 2 Washington and No. 12 Nebraska continued streaking in opposite directions. The Huskies scored two touchdowns in 42 econds just before halftime and capitalized

on three turnovers to beat the Combuskers, 29-14, on Saturday night in Seattle. The victory extended Washington's winning streak to 17 games and continued Ne-

braska's drought against top teams. The Cornhuskers have lost 10 consecutive games to teams ranked in the Top Five and eight straight to Top 10 teams. Both streaks include Washington's 36-21 victory at Nebraska last year. Napolean Kaufman scored on a 1-yard run with 1:29 left in the half to give Washington (3-0) a 16-7 lead in the first night game ever played at Husky Stadium, and the Huskies got the ball right back on an interception by Walter Bailey at the Nebraska 47. Three plays later, Billy Joe Hobert threw a 29-yard

touchdown pass to Joe Kralik to give the

Huskies a 23-7 lead and control of the game.

Replays indicated that Kralik may have been out of bounds and may not have held on to the ball as he dove in the back of the end zone, but Nebraska didn't protest the call. Nebraska (2-1) made it 23-14 on a I-yard touchdown run by quarterback Mike Grant in the third quarter, but Travis Hanson kicked two field goals to put the game away

ami, Gino Torretta threw two touchdown passes to Lamar Thomas before he was side-lined with a shoulder injury. Torretta left the game in the second quarter with what was hagnosed as a left shoulder sprain.

No. 3 Florida State 34, No. 16 North Carolima State 13: In Raleigh, North Carolina, Charlie Ward threw for 275 yards and three

#### COLLEGE FOOTBALL

touchdowns to lead Florida State to its third straight Atlantic Coast Conference victory. No. 14 Tennessee 31, No. 4 Florida 14: The Gators, with one of the best college offenses, were shut down in Knoxville, Tennessee. Florida gained only 278 yards, punted nine times and took 12 penalties.

No. 5 Texas A&M 26, Missouri 13: In Columbia, Missouri, Greg Hill rushed for 104 yards and scored two touchdowns and helped A&M score 23 second-half points. No. 6 Michigan 35, Oklahoma State 3: In Ann Arbor, Michigan, Todd Collins, substi-ming for the injured Elvis Grbac, threw for

285 yards and two touchdowns for Michigan. Collins, a sophomore making his first start, completed a school-record 29 passes. No. 7 Notre Dame 52, Michigan State 31: In East Lansing, Michigan, Rick Mirer threw for three touchdowns and Lee Becton scored

No. 21 Ohio State 35, No. 8 Syracuse 12: In Syracuse, New York, the Buckeyes scored touchdowns on three of their first four possessions, intercepted quarterback Marvin Graves four times and sacked him six times.

brought Mirer into a tie with Joe Their

Notre Dame career record of 31.

No. 9 Alabama 38, Arkansas 11: In Little Rock, Arkansas, Alabama scored on its first play from scrimmage and outgained Arkansas, 214 to 8, in the first 16 minutes.

No. 10 Penn State 52, Eastern Michigan 7: In University Park, Pennsylvania, John Sacca threw for 153 yards and two touchdowns and Richie Anderson ran for two scores.

No. 11 Colorado 21, Minnesota 20: In Minneapolis, Colorado, playing without starting quarterback Kordell Ster art. got an impressive performance from to the stringer Koy Detmer. The Buffaloes trailed, 17-0, in the third quarter before Detmer — the brother of the Heisman Trophy winner Ty Detmer -- led the comeback.

Southern Cal 20, No. 13 Oklahoma 19: In Norman, Oklahoma, Stephon Pace returned a fumble 19 yards for a Southern Cal touchdown, then intercepted a pass to kill Oklahoma's last hope.

# No. 15 UCLA 17, Brights Young 10:

Lindros Debuts With Flyers By Joe Lapointe
New York Times Service
PHILADELPHIA — The Na-

tional Hockey Leagne, which survived 75 seasons without him, has presented its first Eric Lindros Show in an exhibition match between the team he rejected and the team he accepted after forcing a trade.

Lindros scored one goal and set up Mark Recchi's game-win-ner in leading the Philadelphia Flyers to a 4-3 victory Saturday over the Quebec Nordiques be-fore more than 17,000 fans at the

It was an impressive debut for a high-salaried teenager who is seen by many in the hockey business as the rising star who will lead the struggling league into a new era of American television exposure international consciousness and high-profile mar-

"Twe never seen as many peo-ple at an exhibition game," Lindros said. "I hope they enjoyed themselves. I know I did."

It was a twist of fate that Lindros began his career against Quebec, the team that originally drafted him. He refused to play for the Nordiques for reasons to keep him home Sunday when the Flyers played a return match

and language. But it was calculation that was

against the Nordiques in Quebec. Lindros is expected to get a rude greeting from the fans on his first trip there, so the Flyers' management decided to post-pone that until the teams meet there in the regular season on Oct. 13.

Lindros left open the possibili-ty that he would persuade team management to let him play in Quebec on Sunday. "Yeah, I'd like to get up there," he said. "I do what I'm

told. The bus leaves at 7:30. Maybe I'll be on it, maybe I Most of the Spectrum seats were filled for the game. Al-

though there were no banners on the edges of the balconies, many fans wore white and orange Flyers jerseys with Lindros's name and number, 88, on the back.

He took a regular shift, killed penalties and worked the power play. He took two minor penalties in the first period, for kneeing and for roughing. He set up

#### joined the league and the Flyers this fall after a year of controver-sy. Selected by the Nordiques first overall in the 1991 draft, he refused to report and played for the Canadian Olympic team in order to force a trade.

mates and drew gasps and cheers

late in the first period for a rush

that gave the customers hope for

the future of a once successful

franchise that has sagged badly

In the second period, Lindros showed the checking advan-

tages that come with his size -

6 feet, 5 inches and 235 pounds

(1.95 meters, 107 kilograms). A

the latter on the seat of his

dision with Bill Lindsay left

The 19-year-old Lindros

in recent seasons.

The Nordiques traded him in June at the draft in Montreal, but both the Flyers and the Rangers claimed they had a deal with Quebec. The Nordiques sided with the Rangers, but an arbitrator ruled in favor of Philadelphia, which signed Lindros to a multivear contract. He is earning an estimated

\$3.5 million per season, the largest salary in professional hockey.

# Valvano Vows to Win His Cancer 'Battle'

NEW YORK - Jim Valvano, who coached North Carolina State to a National Collegiate Athletic Association basketball championship in 1983, has ended a long public silence about his cancer fight, vowing to "win this latest battle."

Valvano, 46, made his comments on Friday while accepting the Leadership in Sports award from the Coalition of Italo-American Associations. It was his first public appearance since June, when he was diagnosed as having cancer. Slovan Bratishan and Ferenceuros, the two soccer clubs involved in a dispute over allegations of Czechoslovak police brutality to Hungarian fans during a Champions' Cup match on Wednesday in Bratislava, were fined on Sunday by UEFA, the sport's governing body in Europe. (Reuters)

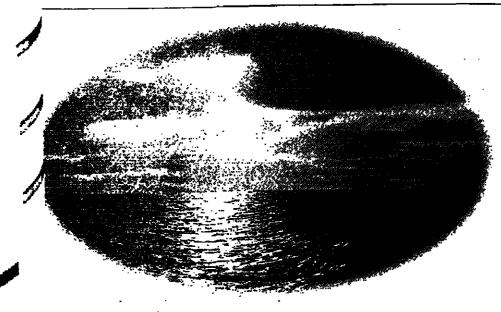
crowd of about 1,500 that prayer had enabled him to keep his spirits up.

Quoting Albert Schweitzer, Valvano said: "In everyone's life, sometimes your inner fire goes out. It burst again into flames with an encounter with another human being. We should be thankful for people who can rekindle our human spirit."

He added: "I'm going to win this latest battle. With the help of my family and friends, that spirit will be rekindled."

ne was magnosed as having cancer.

Valvano is undergoing chemotherapy for an organic form of cancer that spread through the bloodstream to reported that Valvano, choking back tears, told a his spine, bones and other parts of his body.



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# Publishing: Waiting for the Aquatic Ape

ONDON - Yes, in a world of face-ONDON — Yes, in a world or race-less conglomerates and fading readers there are happy independent publishers. Ernest Hecht, who will celebrate the 40th birthday of his Souvenir Press next month while his confreres are slogging at the Frankfurt book fair, is a short and jovial man in a Harry Truman-style sportshirt, bought at Marks and Spencer, who immodestly headlines his catalogue "The Independent Publisher of Books that Sell

#### Well" and whose writing paper bears a MARY BLUME

Latin motto, composed for him by an Eton classics master, to the effect that Best-

Sellers are the Best Revenge. There are best-sellers and best-sellers. Most people have heard of such Souvenir authors as Arthur ("Airport") Hailey or even of the romantic novelist Madeleine Brent, who is in reality a man named Peter O'Donnell, but Rosemary Hawthorne, author of the popular "Knickers" and the forthcoming "Bras," is hardly a household name. Mrs. Hawthorne, the wife of a vicar whose parishioners include Prince Charles, will next get into the gamier areas of her field with works on stockings, garters and garter belts.

"It's the only way to sell the rights to America," Heaht explains.

Hecht prides himself on successfully selling foreign rights. "We have 700 books in print — we have published 2,000 — and the average number of translation rights we sell is four to six. That's better than most," Hecht says. He gets around in six languages and as an ardent soccer fan spends a lot of time abroad. He missed the Frankfurt fair in 1966 because he wanted to attend a match and, noticing it made no difference to his business, has never been

In the dwindling ranks of British inde-pendent publishers, Hecht does not have the historical and literary links of John Murray, publisher of Lord Byron, or the visual taste of Carcanet in Manchester or the minute scale of Quince Tree Press in Yorkshire whose books never exceed 16 pages and fit into an ordinary square white envelope. The window of Souvenir's headquarters, opposite the British Museum, is as random and dusty as a second-hand

"Irish Short Stories," "Kafka's Milena,"
"Dog Help Us," "For Dog's Sake," "Why
Does My Dog," "The Stonehenge Solution," "Omens from Your Dreams," "Sue Boeticher's Black Cat ABC," "Trooping the Colour," "Antiques: Professional Secrets for the Amateur," and "General Reflections: a Military Man at Large," are some of the titles in the window, along with a selection of psycho babble and an impressive selection of books on living with physical and psychological disabil-

"We have the largest list of books on disabilities in Europe," Hecht says. His list, ranging from jazz to euthanasia to "The Golf Swing of the Future," is downright odd though the word Hecht prefers is eclectic. "We are all over the



Eruest Hecht, who celebrates the 40th birthday of Souvenir Press next mouth.

Souvenir Press claims is, however, a very

respectable £1.5 million a year.

Hecht has a small staff with only one

editor and no marketing department at all.

No matter how it is disguised, market-

ing can only tell you what has sold well before," be says. "If it was as easy as looking at what's sold before, there would

Hecht informs his salesmen which

books will sell. "If they ask why, I say because we say it will." Two salesmen who

expressed doubts about "Knickers" were sharply reminded of their error at the next

Born in Czechoslovakia, Hecht was

brought as a boy to London where his

father set up in the garment trade. The

with names like Deutsch, Weidenfeld and

Krazna-Krausz wearing badges identify-

ing them as Grossbritannien - and one reason for their success, Hecht says, is that

many of the Central Europeans were also

be no point in editors at all."

place and we do everything from very pop to high type books." He is at present trying to relaunch the works of Knut Hamsun. the nearly forgotten Norwegian novelist and poet who won the Nobel Prize in 1920.

Perhaps in parody of the very literary publisher, which he is not, Hecht's office, with its ogival entrance (it was once a church), is in what can only be called early ragpicker style, with every surface, includ-ing the floor, covered in clippings, letters, football souvenirs, theater programs, wine bottles and, possibly, unsolicited manu-

scripts.
"I find things by the dust, like arboreal dating," Hecht says. It is a setting that calls more for a dumpster than a char and Hecht is immensely proud of it, claiming he can find anything in seconds. There is no truth to the rumor that he really works out of a tidy computerized office and keeps the front room just for show.

Bemused by the office and Hecht's unorthodox personality, an interviewer from The Guardian once observed: "It's like getting away from publishing to talk to the publisher Ernest Hecht." The turnover ish Central European tradition — sharp on cutting deals and winning publicity, quick to jump on to a trend. Right now he is very high on the aquatic ape theory advanced some time ago by one of his anthors, Elaine Morgan, He got the ape onto the front pages by sponsoring a lecture on the theory during the congress of the British Association for the advancement of science, which always gets nationwide attention

The theory, which maintains that bumans are descended from comparatively recent ancestors who lived in the sea, will in the next 10 years dominate evolution, Hecht maintains. "In the long run it is more important than the Duchess of York's toes," he added in a peevish reference to a recent story that got more space than the ape. A graduate of Hull University, where he

impresarios and brought a certain theatri-cal flair into the genteel English publishing

Hecht sees himself as scion of the rogu-

took degrees in economics and commerce and managed the soccer team, he entered publishing in 1952, taking the press's name from the souvenir theater programs he used to sell. He is still an entertainment buff, producing shows and such singers as Barbara Cook. He had Andrew Loyd Webber under contract, rather prematurely, when the composer was only 18.

Hecht's first book, published out of his parent's house, was a cricketing biogra-phy, his second a football biography. "My first best-seller was after that, The Password is Courage,' about a British soldier who got into Auschwitz, not out of, and was subsequently a witness against I. G. Farben." Next he published a cookbook by the daughter of Mario of the Caprice, then the fanciest restaurant in London, which enabled him to entertain contracts graciously and gratis.

"I would blithely say would you like a cigar? Brandy? That was a great help because I cut short all the problems of meet-

ing the top buyers." Hecht says he was the first publisher to go after the provincial press, realizing that his books would not get reviews in the London dailies. He also claims to have been the first to publish books on rock 'n' roll in 1959 and in the 1960s he began publishing such Latin American authors as Borges, Neruda, Cortazar and Amado. He minated "The Peter Principle" after seeing a newspaper article by Lawrence J. Peter, and published a passel of what he

calls psychological gurus.

In a highly mixed list, a hefty proportion is devoted to books on cats and dogs. "My editor loves cats and I have some instinct to find the good titles," he says. He doesn't much care for animals himself. "We've actually had six best-sellers in cats, we're probably the most successful cat book publishers in Europe.

Central European influence on British publishing has been enormous — Hecht likes to recall his fit of giggles at a publisher's meeting in Vienna where he saw men "We've just got a cat book from a lady who lives in Provence," Hecht added. From Peter Mayle to Peter Meow? "Actually, we're trying to cut the word Provence out of the title. We think it's

#### **LANGUAGE**

# Political Attack Locutions Are In

By William Safire New York Times Service

EW YORK — America is back up on wedges. Remember those triangulated, high-soled shoes of the 1940s that incorporated the heel and turned the fashionable woman into an endangered species? They're back - not merely in the form of platform

soles, but planks in political platforms. In 1990, as Bush White House aides fought over the degree to which affirmative action guidelines became quotas, the former Carter adviser Stuart E. Eizenstat said with some prescience that the Republicans had "a need to give the Reagan Democrats red meat at a time when the economy is going into the tank, and they see civil rights and quotas as a wedge issue."

Recalling this early usage and perhaps coinage, Eizenstat tells me: "I was looking for a phrase to illustrate the attempt to split the coalition of workingclass whites and blacks, the two constituencies Roosevelt unified on economic grounds. The image came to

mind of a wedge being driven."

It filled a political-linguistic need for fresh labels.

Another Democrat, the Clinton strategist James Carville, charged two years later that President George Bush's advisers, bereft of an agenda, had to "dust off the Republican manual, which is to go to wedge issues:

We are the manual of the provided in the result of the result of the republican manual, which is to go to wedge issues: We can't lead the country so maybe we can divide it."

As a phrase, wedge issue is related to the 80s hor-

button issue, which was an updating of the 70s polarization. Wedge, with earthy Indo-European roots as both verb and noun, strikes me as an improvement over the Latinate polarize and polarization.

Wedge issue is a political attack locution, usually used by liberals and moderates, aimed at politicians

on the right who bring up sensitive cultural and social subjects during political campaigns. The dividing wedge, however, need not be racial: free trade is seen by the right as a wedge issue to use to divide workers and environmentalists on the left.

Here is a synonymy of the issues issue: a switcher here is a synonymy of the issues issue: a switcher issue — like gun control or abortion — is a single subject that will cause a minority of voters to change their vote regardless of other patterns, urges or habits (resulting in a bullet vote).

A hot-button issue — like perks for big shots or global warming — will cause a potential voter to become agitated, but not necessarily to the point switching allegiance touching this button causes andi-

switching allegiance; touching this button causes audi-ences to roar or hoot, and is synonymous with red ment, the figure of speech drawn from the excited reaction of carnivorous animals when food is thrown

A gut issue has a wider visceral appeal: the intestinal matter on this year's agenda is the slow growth of the economy, expressed in the single word "jobs." This bread-and-butter issue can also be the burning issue if it

#### **Spoleto Festival Ends Year** With a \$535,000 Deficit

CHARLESTON, South Carolina — The Spoleto Festival U.S.A. ended its 1992 season with a deficit of ected \$800,000 shortfall.

The board chairman Homer Burrous said the 1992 scason was a challenging year.

"We have been battling a recessionary climate that has significantly hampered financial support for all of the arts. And we didn't have an executive director until February," he said.

Burrous said foundation and government support for the festival lagged behind earlier years. Ticket sales brought in about \$1.5 million, about \$113,000 short of

is dramatized, but if the opposition fails to ignite it, the subject is better described as the paramount issue.

As an issue fades, it becomes characterized as a

I miss Ross Perot. Not only did he apply the traffie term gridlock to divided-party government, but also the jug-eared, thin-skinned executive generated the most derisive sobriquet of the current campaign, as his

betrayed supporters called him "the yellow Ross of In Forbes magazine's 75th anniversary issue, Peggy Noonan, the former Reagan-Bush speechwriter who has developed the art of impressionism in political ose, summarized the voters' view of the horseless head man in a poetic trope: "They looked at him and saw a hand grenade with a bad haircut."

"It's partly a convention bounce," Bill Clinton said after his poll ratings shot up in July.

As August ended and the Republicans had convened in Houston, the Bush-Quayle ratings improved

somewhat and The Christian Science Monitor wrote, It represents a routine convention bounce." Newsweek, in its Conventional Wisdom Watch, asked, "Why does the CW worry about the 'convention bounce' if the CW also says the bounce dissipates within two weeks?"

The much-discussed convention bounce is a temporary rise in the opinion polls caused by the television rary rise in the opinion pous caused by the television exposure and print commentary during a party's national convention. As The Associated Press reported in 1988, "The convention bounce usually settles down

as voters focus on the issues of the race. Bounce has triumphed over the variant bump. Who coined the phrase? In 1980, the Carter presidential spokesman, Jody Powell, used the term to mean a psychological lift: he said that the increase in President Jimmy Carter's rating was "the post-convention bounce we hoped for." In a dozen years, the postmefix has worn off.

Phrase junkies are always on the lookout for politi-

cal axioms, adages and proverbs.

Bert Lance's "If it ain't broke, don't fix it" has become a source of inspiration to anti-activists. Dwight Morrow's "Any party which takes credit for the rain must not be surprised if its opponents blame it for the drought" is being rucfully repeated by supporters of George Bush. Economists eager to fine-time the economy turn to the wisdom attributed to the gangster Al Capone: "You can get a lot more done with a kind word and a gun, than with a kind word alone."

A subcategory in this field is "forgiveness, cal," headed by the quotation attributed to the Kennedy brothers: "Forgive but don't forget." An addition to this store of sophisticated sagacity has been provided by the newscaster Jim Lehrer, in his new, breezily profound memoir, "A Bus of My Own" (Putnam), He notes in passing that some former associates tried to do him in, and then forgives them, but not completely: CHARLESTON, South Carolina — The Spoleto

"As a prominent Oklahoma politician says a lot,"

Festival U.S.A. ended its 1992 season with a deficit of
\$535,831 in its \$4.3 million budget, officials announced. The deficit was smaller than an earlier pro
who's going to end up with no friends.'"

New York Times Service

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